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# **Government Performance Evaluation Results for 2017**

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January 2018

**Government Performance Evaluation Committee**  
**Office for Government Policy Coordination**

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# **I . Overview of Evaluation**

## I . Overview of Evaluation for 2017

### ① Targets of evaluation

- Agency: **43 central administrative agencies** (23 ministerial-level agencies; 20 vice-ministerial-level agencies)
- Period: **May 10, 2017 - December 31, 2017**

### ② Evaluation category

- ◇ Place **top priority on the efforts to implement policy tasks and create jobs** during the first year of the new administration
- ◇ Evaluate intensively **policy communication with the public and the public's evaluation of state administration** (public satisfaction)
- ◇ **Grant merits or demerits** with respect to **issue management, improvement of human rights protection, conflict management, etc.**

- ① **(Policy task)** Facilitate administration of state affairs by evaluating policy tasks and central administrative agencies' respective core businesses.
- ② **(Job creation)** Support job creation in the public and private sectors by evaluating job creation efforts and outcomes.
- ③ **(Regulatory reform)** Revitalize economy and improve public perception of regulatory reforms by evaluating regulatory reform efforts and outcomes.

- ④ **(Policy communication)** Facilitate public understanding and awareness of policy outcomes by evaluating public communication efforts and outcomes with respect to policies such as policy tasks.
- ⑤ **(Public satisfaction)** Raise policy perception by evaluating public satisfaction with policy tasks.
- ⑥ **(Matters applicable to all agencies)** Drive the government's efforts to implement major programs by evaluating efforts and outcomes with respect to implementation of issue management, conflict management, improvement in human rights protection, and specific programs.

< Major Changes Year-on-Year >	
Evaluation for 2016	Evaluation for 2017
① Policy tasks 50 ・Major reform tasks (maximum of $\pm 2$ per task) ・Collaboration (maximum of $\pm 1$ per agency)	① Policy tasks 50 ・Innovation management and collaboration (maximum of $\pm 2$ per agency)
② Regulatory reform 20	② Job creation 20
③ Public relations for policies 20	③ Regulatory reform 10
④ Normalization tasks 10	④ Policy communication 10
⑤ Matters applicable to all agencies $\pm 10$ (Government 3.0 $\pm 5$ ; Performance management $\pm 3$ ; Specific programs $\pm 2$ )	⑤ Public satisfaction 10
	⑥ Matters applicable to all agencies $\pm 10$ (Issue management $\pm 3$ ; Conflict management $\pm 3$ ; Human right improvement $\pm 2$ ; Specific programs $\pm 2$ )

### 3 Evaluation methods

- **Both quantitative evaluation** (lead agency for each evaluation category) **and qualitative evaluation** (non-governmental evaluation support division) were carried out to maximize objectivity, professionalism, and fairness in evaluation.

- The **lead agency for each evaluation category** conducted **quantitative evaluation** of the progress in implementation of plans and achievement of policy indicators.
- The **evaluation support division for each category** composed of **committee members, experts, and policy customers in relation to policy tasks** conducted **qualitative evaluation** of policy impacts.
- Each agency's scores for each evaluation category were added up to ensure **comprehensive evaluation**.
- The **Government Performance Evaluation Committee (GPEC)** conducted **deliberations** and made **resolutions** of evaluation results.

#### **4 Presentation of evaluation results**

- Agencies were classified into **ministerial-level** agencies or **vice-ministerial-level** agencies and **assigned ratings** (good, average, and poor) based on their evaluation results.
- **Improvements and/or complementary measures were suggested** based on evaluation results.

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## **II . Evaluation Results by Evaluation Category**

# 1. Evaluation of Policy Tasks

## 1 Evaluation overview

### ☐ Evaluation goal

- Underpin **effective state administration by objectively and systematically analyzing and evaluating 100 policy tasks.**

### ☐ Targets of evaluation

- 43 central administrative agencies (in order of office organization)

Type	Agency
<b>Ministerial-level (23)</b>	Ministry of Economy and Finance, Ministry of Education, Ministry of Science, ICT and Future Planning, Ministry of Foreign Affairs, Ministry of Unification, Ministry of Justice, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Environment, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission, and Anti-Corruption & Civil Rights Commission
<b>Vice-ministerial-level (20)</b>	Ministry of Personnel Management, Ministry of Government Legislation, Korea Food & Drug Administration, National Tax Service, Korea Customs Service, Public Procurement Service, Statistics Korea, Military Manpower Administration, Defense Acquisition Program Administration, National Police Agency, National Fire Agency, Cultural Heritage Administration, Rural Development Administration, Korea Forest Service, Korean Intellectual Property Office, Korea Meteorological Administration, National Agency for Administrative City Construction, Saemangeum Development and Investment Agency, Korea Coast Guard, and Nuclear Safety and Security Commission



## ☐ **Evaluation methods**

- Organized the **policy task evaluation support division** (437 members) composed primarily of GPEC members.
  - Broke the division down into 10 subdivisions with participation of **civilian experts and policy customers** from each area.
- Conducted quantitative and qualitative evaluations based on **evaluation indicators** by each subdivision.
- Assigned 21 agencies in charge of one or zero policy task key tasks relating to 37 policy tasks and evaluated them in the same way as policy tasks.

## ☐ **Evaluation indicators** (50 points)

- Policy implementation efforts (40%), attainment of performance indicators (30%), and policy impacts (30%)

Evaluation items	Evaluation indicators
Policy implementation efforts	· Whether task implementation plans have been formulated substantially and tasks have been executed as planned
Attainment of performance indicators	· Whether the predetermined targets of performance indicators have been attained
Policy impacts	· Comprehensively evaluate policy perception that cannot be measured by performance indicators

## 2 Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of Foreign Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Land, Infrastructure and Transport	Korea Customs Service, Public Procurement Service, Statistics Korea, Korea Forest Service, Korean Intellectual Property Office, Saemangeum Development and Investment Agency
<b>Average</b>	Ministry of Education, Ministry of Justice, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Environment, Ministry of Employment and Labor, Ministry of Oceans and Fisheries, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission	Ministry of Personnel Management, Ministry of Government Legislation, National Tax Service, Military Manpower Administration, National Police Agency, Cultural Heritage Administration, Rural Development Administration, Korea Meteorological Administration, National Agency for Administrative City Construction, Nuclear Safety and Security Commission
<b>Poor</b>	Ministry of Unification, Ministry of Gender Equality and Family, Ministry of SMEs and Startups, Anti-Corruption & Civil Rights Commission	Korea Food & Drug Administration, Defense Acquisition Program Administration, National Fire Agency, Korea Coast Guard

### ☐ Internal and external conditions for policy implementation

- Advent of the **era of the Fourth Industrial Revolution** in tandem with changes in internal and external circumstances including worsening **economic growth** and increasing **economic uncertainty**, and spread of **protectionism**
  - **Deteriorating social inequality and polarization** as a result of spread of free market ideology; increasing public apathy; and persistent structural problems such as **youth unemployment, low birth rate, and population aging**
  - Heightened tension on the **Korean Peninsula** and in **Northeast Asia** due to **North Korea's nuclear and missile provocations** and conflicts with neighboring countries stemming from the deployment of THAAD
- ⇒ The **new administration inaugurated** in the midst of difficult circumstances at home and abroad faces two primary demands: **quick stabilization of state administration** and **determination of new policy directions**.

### ☐ High priority agenda and key outcomes

- Established the **foundations for policy implementation** to systematically execute policy tasks and produce outcomes.
  - The government laid the **foundations for implementation** of 100 policy tasks by establishing a **policy task implementation system** and announcing policy **roadmaps** for national agenda such as job creation, economic growth, and welfare.
- Improved **democracy and transparency of state administration** by **eradicating deep-rooted irregularities**, implementing **anti-corruption reforms**, and expanding **public participation**.
  - The government conducted thorough investigations into **deep-rooted irregularities**, established government-wide **anti-corruption mechanisms** including the Anti-Corruption & Civil Rights Commission (ACRC), and initiated full-scale discussion on **public authority reform**.

- The government proposed a **public participatory policy-making model** through the **consensus-building process** on Shin Kori Nuclear Power Plant units 5 and 6.
- Shifted the policy stance to **job creation, income-led growth, innovation-driven growth, and a fair economy** to realize **people-centered economy**.
  - The government implemented **job-oriented policies** including a supplementary budget for job creation and formulation of the five-year roadmap for job creation and improvement of job quality by instituting a **minimum wage hike** and **conversion of non-regular workers to regular workers**.
  - The government laid the foundations for **innovation-driven growth** including plans to respond to the Fourth Industrial Revolution and sought to establish a **fair and orderly market** through **eradication of unfair practices** in franchising and subcontracting, etc.
- More strongly upheld **government accountability and the public interest** for welfare, education, day-care for children, safety, and the environment to improve **the quality of life**.
  - The government established an **inclusive welfare system** to mitigate social and economic inequality by **expanding benefit coverage in national health insurance**, introducing **national responsibility for dementia care**, and reinforcing the **national basic livelihood security system**.
  - The government reinforced the **nation's responsibility and role** in resolution of the demographic cliff, stabilization of people's livelihoods, and promotion of public safety by rendering a wider range of **housing support to low-income earners and young people** and **improving education system and childcare environment**.
- Aggressively pursued **decentralization and balanced development** by guaranteeing **local government autonomy in four areas**.
  - The government devised strategies to migrate to a decentralized nation such as the **roadmap for decentralization** (provisional) and laid the foundations for **balanced regional development and growth** such as **urban renewal new deal program**.

- Established the foundations for **peaceful resolution of problems on the Korean Peninsula** and restore relations with the **four countries in the vicinity of the Korean Peninsula**.
- The government firmly responded to **North Korea's nuclear and missile** provocations based on the solid **Korea-U.S. alliance** and stepped up **cooperation with the international community in the peaceful resolution of problems on the Korean Peninsula**.
- The government sought to **restore relations with the four neighboring countries through summit diplomacy** and build diversified and pluralistic diplomatic relations through the new northern and southern policies.

#### ☐ **Deficiencies**

- There are delays in **enactment of some of major laws** necessary to implement **reform tasks** including establishment of the **High-ranking Officials' Corruption Investigation Agency**, **resolution of the contentious issues of the past**, establishment of the **robust groundwork for execution of anti-corruption initiatives**.
- Despite **improvement in macroeconomic indicators** such as national income and economic growth rate, **economic sentiment** is slow to recover in the domestic and job markets as indicated in the **increases in youth unemployment and household debt**.
- Extensive **loss of life** due to industrial accidents, fires, and maritime accidents have undermined public confidence in **accident prevention and disaster site response systems** as well as general **public safety**.
- **Security concerns** on the Korean Peninsula remain because of North Korea's **continued provocations** and **materialization of their nuclear and missile threats**.

▶ In 2018, the government will focus on **producing readily apparent outcomes** by **completing reform tasks** and **executing tasks relating to people's livelihoods**.

## (1) A government of the people

- ◇ The government endeavored to rebuild public trust in government and enhance **democracy and transparency** in state administration through the implementation of **eradication of deep-rooted irregularities**, **anti-corruption reform**, and **public authority reform**.
- ◇ There are **delays** in some of **major legislative enactments necessary for establishment of the High-ranking Officials' Corruption Investigation Agency**, introduction of the **local autonomous police system** to metropolitan municipalities, **enhancement of a body overseeing anti-corruption initiatives**, and **resolution of the contentious issues of the past**.

## Key policy outcomes

- **Eradication of deep-rooted irregularities** and implementation of **anti-corruption reform**
  - Made efforts to **rebuild public trust in government** by thoroughly **investigating the influence-peddling scandal**; formed ministry-specific **task forces for eradication of deep-rooted irregularities**; and **investigated the blacklist of cultural figures and artists**.<sup>\*</sup>

<sup>\*</sup> Forming a committee to investigate the blacklist of cultural figures and artists, improving relevant systems, etc.

- Strengthened institutional fundamentals for anti-corruption reform by launching the **ACRC presided over by the President** and reinforcing **public interest whistleblower protection mechanisms**.<sup>\*</sup>

<sup>\*</sup> Expanding the scope of public interest whistleblower from “five areas including health, safety, and the environment” to include “other areas of public interest equivalent to them”; extending the period to file a request for protective measures from 3 months to 1 year; introducing punitive damages system, etc.

- Laid the foundations for national reconciliation through **investigations into the contentious issues of the past** and **communication with victims**.

<sup>\*</sup> Launching the Special Investigation Commission on the May 18 Democratization Movement under the Ministry of National Defense; holding meetings with the victims and their bereaved families of the forced mobilization for labor under Japanese occupation and victims’ families of the April 3 Jeju Uprising; holding a nationwide joint memorial service for the victims of the forced mobilization for labor under Japanese occupation, etc.

- Continued efforts to uphold **broadcasting independence and fairness** by establishing the **Broadcasting Future Development Commission**<sup>\*</sup>, etc.

<sup>\*</sup> The commission is composed of 19 experts for broadcasting, media, law, and management accounting and works on improvements of corporate governance and autonomy in program production and planning for public broadcasting services.

- Creation of **national unity** through **government innovation** driven by **expansion of public participation**

- Increased **public participation** and **communication** through the **consensus-building process** for the issue of **Shin Kori Nuclear Power Plant units 5 and 6**, launch of the **private and public joint council for social innovation**<sup>\*</sup>, and introduction of **public participation in the budget process**.

<sup>\*</sup> The council formulates plans for private and public cooperation in social innovation and identifies systems requiring improvements.

- Promoted **social unity** through affirmative actions in the public sector by **expanding honorable treatment for persons of distinguished services to the nation**<sup>\*</sup>, developing plans to **recognize non-regular officials' deaths in the performance of official affairs as deaths in the line of duty**, etc.

<sup>\*</sup> Expanding the scope of support by offering new support for descendants (grandchildren and children) of the persons of distinguished services to the nation's independence and increasing compensation for the persons of distinguished services to the nation

- Continued efforts to improve public institution innovation<sup>\*</sup> to realize **social values**.

<sup>\*</sup> Introducing a blind recruitment system, giving higher weights to social value items in evaluation of management of public institutions, etc.

## ☐ Implementation of **democratic reform of public authorities**

- **(Prosecution)** Reinforced internal control through full-scale discussion on the establishment of **the High-ranking Officials' Corruption Investigation Agency**; introduction of **human rights inspectors**; pilot implementation of **a system to designate a certain day of the week as the date for pleading**; introduction of a system whereby **the prosecutor concerned is referred to the case appraisal committee even before a final decision is rendered** if a defendant of a major case is found not guilty in lower courts; etc.



- **(Police)** Reinforced control over **abuse of governmental authority** by working to introduce the **local autonomous police system** in metropolitan municipalities, announcing the **basic principles on police authority** (Police Reform Committee), etc.
- **(National Intelligence Service)** Formulated **organizational reform plans** for **revocation of the agency's anticommunist investigative authority**, change of its name to the International Security Intelligence Service, etc.

※ Reform directions were announced for major public authorities such as the National Intelligence Service, the prosecution, and the police on January 14, 2018.

#### ☐ Efforts to build a **culture of respect for human rights in society**

- Proposed **policies to improve human rights protection** such as prohibition of pretext investigations and exclusion of the victims of crimes against humanity from extinctive prescription for national compensation (Committee on Reform of the Ministry of Justice and the Prosecution).
- Garnered the police's acceptance<sup>\*</sup> of the **recommendations made by the National Human Rights Commission of Korea (NHRC)** which the police had not previously accepted, and sought to reinforce human rights protection in police interrogations through exercise of the right to counsel during interrogations and expansion of scope of electronic recording of interrogations.

\* The police accepted 86 out of 108 recommendations made between 2001 and 2016, such as refraining from use of equipment against protesters (e.g. water cannons, police buses forming a wall beside protesters)

- Increased agencies' interest in NHRC recommendations as indicated in improvement of their **fulfillment of obligations to reply** to the recommendations and their **acceptance** thereof\* by incorporating the **human rights protection efforts** into government performance evaluation.

\* Nine agencies submitted implementation plans in reply to and accepted all 36 recommendations made to them (100%) from July to December 2017.

## Challenges

- Lack of tangible outcomes in **reform of public authorities** such as the **prosecution and the police**
  - Although the Committee on Reform of the Ministry of Justice and the Prosecutors' Office and the Committee on the Police Reform announced a series of **recommendations**, practical institutional improvements have made little progress, including **coordination of investigative authority between the prosecution and the police**\* and enactment of the **Act on the High-ranking Officials' Corruption Investigation Agency**\*\*.
  - \* The Committee on the Police Reform announced recommendations pertaining to structural reform of investigations in December, but full-scale discussions between the police and the prosecution have not yet begun.
  - \*\* There are differences on the new establishment of the investigation agency with respect to the need for the agency, its authority and scope, etc.
  - For introduction and expansion of the **local autonomous police system** in metropolitan areas, the deadline for reviews and discussions by the Committee on the Police Reform has been extended, thereby delaying the formulation of a draft bill of **the Autonomous Police Act**.

- Delays in establishment of the **foundations for resolution of the contentious issues of the past** and lack of social consensus on them
  - There are delays\* in enactment and revision of the **Special Act on the May Democratization Movement** and the **Framework Act on Settling the Past History for Truth and Reconciliation** necessary to establish a fact-finding commission on the Gwangju Democratization Movement and resume activities of the Truth and Reconciliation Commission.
    - \* Despite stakeholders having agreed on the need for legislation and revision of the Acts, differences over the scope of duties and of fact-finding issues of the Truth and Reconciliation Commission resulted in delays.
  - **Public awareness and interest in the April 3 Jeju Uprising\*** are relatively low.
    - \* Public recognition level: May 18 Gwangju Democratization Movement (99%), Nogeunri Incident (75.7%), and April 3 Jeju Uprising(68.1%)  
(Source: Survey conducted by the Jeju 4.3 Peace Foundation, November)
- Delays in some of **anti-corruption** tasks and decrease in public confidence in **reform of public institutions**
  - The ACRC innovation plans were announced in December, but there are delays\* in revision of the **Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission**, intended to **reinforce functions of the ACRC as a governing body for anti-corruption initiatives**.
    - \* Delayed due to differences over reinforcement of ACRC's function to investigate persons reported, expansion of the scope of public participation audit requests, etc.
  - **Revelations of improper solicitations in recruitment in the public sector committed by influential figures** resulted in public distrust in the overall hiring practices in public institutions.

## Improvement approach

- ◇ Strengthen collaboration between ministries and cooperation with the National Assembly to effectively **eradicate deep-rooted irregularities and pursue reform initiatives.**
- ◇ Increase public trust in government through **dissemination of anti-corruption reforms** by such means as **prevention of political corruption and eradication of recruitment irregularities in public institutions.**

□ Ongoing **eradication of deep-rooted irregularities and public authority reform** and steady generation of **outcomes of system improvements**

- Secure **national consensus and support** based on public understanding of initiatives for eradication of deep-rooted irregularities\* and active communication with the public and present **outcomes of system improvements.**

\* ① Rectifying major unlawful acts that materially threaten free democratic order; and ② Improving policies, systems, and practices that cause undue public inconvenience and damage or undermine the nation's future development

- Rapidly implement **major reform tasks** such as reforms in **the prosecution and the police** and promptly execute necessary **legislative measures.**

□ **Establishment of systems to resolve the contentious issues of the past and build public consensus on them**

- Press harder for the passage of **the Special Act on the May Democratization Movement** and **the Framework Act on Settling the Past History for Truth and Reconciliation** through the National Assembly and **make thorough preparations** to ensure that subsequent measures<sup>\*</sup> are executed immediately after their passage.

<sup>\*</sup> Establishing the Special Investigation Commission on the May 18 Democratization Movement, preparing for the establishment of the Foundation on the Past History Issues, etc.

- Bolster support for **reconciliation, co-prosperity, and public consensus** with respect to **the April 3 Jeju Uprising** as the year 2017 marks its 70<sup>th</sup> anniversary.

☐ **Improvement of the country's corruption perceptions index (CPI)**  
by reinforcing nationwide efforts for **anti-corruption reforms**

- **Establish systems to implement anti-corruption reforms** by completing **legislative measures** quickly such as enhancement of functions of an independent governing body for anti-corruption and establishment of the High-ranking Officials' Corruption Investigation Agency.
- Improve systems to **eradicate recruitment irregularities** and closely monitor the systems so as to enhance **fairness and transparency** in recruitment processes of public institutions and restore public trust in them.

## (2) An economy pursuing mutual prosperity

- ◇ The government endeavored to shift economic policy to **people-centered economy** through **job creation**, **income-led economy**, **fair economy**, and **innovation-driven growth**.
- ◇ **Factors of livelihood insecurity** persist, such as **household debt**, and **new technologies and industries** relating to the **Fourth Industrial Revolution** lack tangible outcomes.

### Key policy outcomes

- **Establishment of state administration framework focused on job creation**
  - Established government-wide systems to push forward job-related policies by setting up the **Job Creation Commission** and drawing up the **five-year roadmap for job creation policy**.
    - \* Establishing the fundamentals for job creation; creating jobs in the public and private sectors; improving job quality; providing customized supports for job creation, etc.
  - Encouraged the public sector to be an exemplary employer by **converting non-regular workers to regular workers**, **securing a revised supplementary budget for job creation**, and **formulating the roadmap for job creation in the public sector**.
    - \* Creating 810,000 jobs by 2022: 174,000 field public service jobs, 340,000 social service jobs, etc.
- **Mitigation of burdens on the working class and the middle class and relief of management burden on small businesses**

- Mitigated financial burden on the socially disadvantaged by lowering the statutory interest rate cap,\* retiring bonds that lapse by prescription, etc.

\* Act on Registration of Credit Business, etc. and Protection of Finance Users: (March 2016) 27.9% → (February 2018) 24%; Interest Limitation Act: (July 2014) 25% → (February 2018) 24%

- Provided **tax support**\* and reduced transportation and communications expenses\*\* for **the working class, the middle class, and the self-employed**.

\* Increase in employment subsidies (KRW 770,000 - KRW 2.3 million → KRW 850,000 - KRW 2.5 million), increase in tax deduction rate for monthly rents (10% → 12%)

\*\* Increase in the number of service routes of metropolitan buses (5 routes), decrease in the minimum charge for mobile phones for the low-income bracket (KRW 11,000), etc.

- Sought to ease the management burden on small businesses stemming from minimum wage hikes by expanding the scope of small card affiliates eligible for preferential **credit card fees** and laying out **job security subsidies**.

## ☐ **Establishment of fair market order between large companies and SMEs**

- Laid institutional fundamentals\* to eradicate unfair practices in the areas of **franchising, distribution, and subcontracting** and unauthorized use **of SMEs' technologies**.

\* Prohibition of forced exclusive contracts, utilization of punitive damages, expansion of scope and amount of rewards for whistleblowers, etc.

- Endeavored to improve **large companies' management transparency** by expanding the scope of conglomerates subject to disclosure obligation (total assets of at least KRW 5 trillion).

- Establishment of a **response system for the Fourth Industrial Revolution** and implementation of **energy transition policy**
  - Increased efforts to prepare for the future by organizing the **Presidential Committee on the Fourth Industrial Revolution**, formulating **plans to respond to the Fourth Industrial Revolution**, and substantially increasing **basic research budget**.<sup>\*</sup>
    - \* Researcher-centered basic research budget: (2016) KRW 1.1 trillion, (2017) KRW 1.26 trillion → (2022) KRW 2.52 trillion
  - Shifted energy policy to safe and clean energy through the **phased reduction of the number of Nuclear Power Plants**, the increased **supply of new and renewable energy**<sup>\*</sup> such as solar energy, and the development of new industries in the energy sector.
    - \* “Renewable Energy 3020” implementation plan: Increasing the percentage of generation of renewable energy from 6.95% in 2016 to at least 20% by 2030
- **Improvement of support system for SMEs and reinforcement of the growth foundations for startups and venture businesses**
  - Newly established the **Ministry of SMEs and Startups** and strengthened functions of **overseeing and coordinating policies on SMEs**.<sup>\*</sup>
    - \* Handing over 15 SME support projects implemented by ministries including the Ministry of Science and ICT and the Ministry of Trade, Industry and Energy to the Ministry of SMEs and Startups
  - Supported growth of **startups and venture businesses by expanding exemption of joint and several surety for policy finance**,<sup>\*</sup> etc.
    - \* Expanding eligibility for joint and several surety exemptions (from enterprises rated as excellent to enterprises less than 7 years old); to be completely abolished in March 2018



- Realization of **stable macroeconomic growth in exports, economic growth rate, etc.**
  - Achieved **record exports** in the face of spread of protectionism around the world.
    - \* Exports: (2016) USD 495.4 billion → (2017) USD 573.9; increase of 15.8%
  - Expected to realize **stable economic growth of about 3% and per capita income of USD 30,000** through aggressive fiscal policy involving revised supplementary budgets.
    - \* Economic growth rate: (2016) 2.8% → (2017) 3.1%

## Challenges

- Delays in **system improvements to protect local businesses and small businesses**
  - The **recommendations on business lines essential for petty merchants are expiring** in phases starting in 2018.
    - \* Number of recommended business lines expiring (73): (2018) 47, (2019) 17, (2020) 2, (2021) 4, and (2022-2023) 3
  - There are delays in legislation and revision of bills/laws\* to protect **business lines for the working class and commercial tenants**.
    - \* The Special Act on Designation of Business Lines Essential for Livelihoods, the Commercial Gentrification Prevention Act, the Distribution Industry Development Act, etc.
- Persistence of **factors of livelihood insecurity** relating to **household debt**

- With household debt<sup>\*</sup> exceeding KRW 1,400 trillion, the future **increases in real estate prices<sup>\*\*</sup>** and **market interest rates** would add to the burden on the working class households.

\* Household debts (in KRW trillion): (2015) 1,203 → (2016) 1,343 → (end of September 2017) 1,419

\*\* Percentage increases in apartment prices in 2017 (year-on-year): Seoul 4.7%, Gyeonggi 1.7%, Incheon 1.5%

## ☐ Poor outcomes in **competitiveness of core items and R&D commercialization** relating to the Fourth Industrial Revolution

- **Export competitiveness<sup>\*</sup>** of core items relating to the Fourth Industrial Revolution such as next-generation displays and lithium secondary batteries is relatively low.

\* Market share in the international market (2016): Next-generation displays (19.5%), lithium secondary batteries (12.6%), and intelligent robots, aerospace industry, high-tech medical devices, etc. (less than 5%)

- The **success rate in technology development** for R&D projects is high, but the **success rate in their commercialization** is low.

## ☐ Lack of **tangible outcomes of regulatory innovation in new technology and new industry**

- Despite aggressive regulatory innovation initiatives including the introduction of reform sandboxes, regulatory innovation in the areas of new technology and new industry is **not clearly perceived in the field** due to **insufficient institutionalization** through legislations.

\* Releasing new services utilizing big data and ICT technologies on the market is difficult because of regulations on personal information protection and opposition from interest groups.

## Improvement approach

- ◇ Continually strive to legislate and improve systems to **protect business lines essential for the working class and improve household debt risk management.**
  - ◇ Solidify the foundations for **innovation-driven growth** by helping major projects in the areas of **new technology and new industry** generate tangible outcomes and pursuing **drastic regulatory innovation.**
- 
- Reinforcement of **institutional fundamentals** to protect **small businesses**
    - Quickly enact legislations for measures to protect **small businesses** including designation of business lines essential for the working class, protection of commercial tenants, and regulation on multiple shopping complexes.
  - **Thorough preparations for household debt risk**
    - Continue to manage **risks arising from increasing household debt** by implementing the new **DTI and DSR** as planned and the measures to **rein in real estate speculation.**
    - Improve **policy financing schemes for the working class** and increase **lending at mid-tier interest rates** to ease the burden of high interest rates on **people with average or bad credit scores.**

☐ **Proactive response to major changes such as the Fourth Industrial Revolution**

- Strengthen innovation foundations by striving to produce tangible outcomes of core leading projects such as new industries in the energy sector, **training excellent technology manpower**, and **supporting startups**.
- Improve the success rate of R&D project commercialization by increasing on-demand **R&D** supports and formulating measures to **mitigate commercialization risk**.

☐ **Implementation of drastic regulatory innovation in the areas of new technology and new industry**

- Promote entrepreneurship in **core leading areas** such as drones and self-driving cars by implementing the **regulatory sandbox system** and **the comprehensive negative regulation system**.
- Address **resistance from those with vested interests in the market** in the national interest by making the best use of the **consensus-building process**.

### (3) A nation taking responsibility for each individual

- ◇ The government laid the foundations for establishment of an inclusive welfare state by strengthening social security and expanding benefit coverage of the national health insurance.
- ◇ Public perception of some tasks that directly impact everyday living fell due to the increasing low birth rate risk, occurrence of mass casualty incidents, concerns over food safety, etc.

#### Key policy outcomes

- Reinforcement of social security throughout people's lifetimes to guarantee national basic living security
  - Bolstered protection of **the socially disadvantaged** including the elderly and the severely disabled, **who had been in the basic livelihood security blind spot**, through phased abolishment of **the family support obligation rule**.
    - \* Abolished in cases a recipient household and a household of a person under obligation to support family has an elderly or severely disabled family member (November 2017); Housing allowances granted (2018)
  - Realized “welfare schemes that enable happy caring for children and elderly parents” by devising plans to introduce **child benefits** (September 2018), introducing **young jobseeker's allowance** (for 113,000 persons in 2017), and increasing the number of recipients of the **basic pension**.
    - \* Number of basic pension recipients: 4.581 million in 2016 → 4.86 million in 2017 (increase of 6.1%)
- Expansion of benefit coverage of national health insurance for universal health coverage

- **Applied health insurance to uninsured medical services** necessary for treatment in order to ease people's medical expense burdens and planned to increase the coverage rate of health insurance to **70%** by 2022.
  - Implemented **national responsibility for dementia care** by establishing **dementia care centers** in cities, counties, and districts to render personalized services, and reducing the deductible for serious dementia to 10%.
- ☐ **Establishment of the foundations to stabilize house prices and reinforcement of housing stability**
- Laid the foundations to stabilize the housing market by setting policies (August 2) to counter skyrocketing house prices for regulation on **owners of multiple homes** and **short-term speculation** and increasing the supply of **public rental housing**.
  - Expanded personalized support for each **stage of life cycle and income level**,<sup>\*</sup> eased housing burden on **youths and newlyweds**, and reinforced housing support for **the elderly and the socially disadvantaged**.
- <sup>\*</sup> (Youths) Share-type rental residences; (Newlyweds) 200,000 units of specialized rental residences; (Elderly people) 50,000 units of rental residences linked to welfare services
- ☐ **Creation of conditions to resolve discrimination in the labor market**
- Formulated **a roadmap for conversion to regular positions**, sought to **narrow the wage gap** through **minimum wage hikes**, etc., and upheld **basic labor rights** through personnel management and compensation schemes<sup>\*</sup> based on **the principle of autonomy in labor-management relations**.

\* Abolishing two guidelines (fair personnel management guidelines, employment rule implementation guidelines), as well as measures pertaining to performance-based pay for public institutions

- Increased **female representation in the public sector**: the percentage of female public officials at the ministerial level reached an all-time high of 30%, and three female officers were promoted simultaneously as generals in the military for the first time (December).

#### ☐ **Preparation for the Winter Olympics together with all the people**

- Prepared for **the Pyeongchang Winter Olympics and the Paralympics** with high priority on enabling all people to enjoy and participate by opening the Seoul-Gangneung KTX bullet train line, setting accommodation charges at reasonable levels,<sup>\*</sup> linking the sports events to tourism,<sup>\*\*</sup> etc.

\* Operating the accommodation reservation call center (1330), promoting “good lodgings” over the Internet, examining maps, etc.

\*\* City tour, festivals (e.g. Pyeongchang Trout Festival, Daegwallyeong Snow Festival), K-Food Plaza, etc.

#### ☐ **Reinforcement of public accountability and restoration of democracy in education**

- Increased the **public’s interest** in education by **fully subsidizing the Nuri curriculum for 3- to 5-year olds** offered by all **daycare centers**, abolishing **admission fees for colleges** in phases, expanding opportunities to those in the low-income bracket to enter kindergartens and colleges, etc.

- Restored democracy in educational practices by improving the **appointment system for presidents of national universities**,<sup>\*</sup> improving systems to **eradicate corruption in private schools**,<sup>\*\*</sup> abolishing **government-published history textbooks**, etc.

\* Announcing measures to improve the system for appointment of presidents of national universities such as abolishment of the linkage between the indirect election system and financial support projects

\*\* Organizing the private school innovation implementation division, operating the public suggestion center, tightening accounting investigations, etc.

## ☐ **Establishment of a disaster and safety response system and efforts to prevent spread of avian influenza**

- Bolstered national responsibility for public safety by making improvements to the **disaster response system**, such as promotion of independence in the National Fire Agency and the Korea Coast Guard and increases in fire-fighting manpower and equipment, and taking **customized measures**<sup>\*</sup> for people most **vulnerable to disasters**.

\* Comprehensive safety management measures for the disabled (September), comprehensive safety management measures for pedestrians (September), safety management measures for foreigners and multicultural families (December), etc.

- Endeavored to quickly **restore the earthquake-stricken areas in Pohang** by linking relief and restoration to **urban renewal projects**.

- Moved aggressively to prevent the spread of highly pathogenic avian influenza (AI) by announcing the **comprehensive quarantine measures against AI**, adopting the **preventive quarantine system**, stepping up initial response measures, etc.



## Challenges

- ☐ **Lack of effectiveness of measures to counter the low birth rate** that have been taken thus far, and further decline of the **low birth rate**
  - The demographic cliff crisis has become more serious, as indicated in **the number of births plunging to a record low in 2017\*\*** despite a variety of policy efforts including formulation of master plans on the low birth rate and population aging.

\* The number of newborns in 2017 is estimated at 360,000, down about 11% from 406,000 newborns in 2016.
- ☐ **Low public confidence in accident prevention, on-site emergency response, and public safety systems**
  - **Poor on-site emergency responses** to fires and a fishing boat accident led to much higher casualties; and similar accidents continued to occur after **preventive measures\*** were announced in the aftermath of a tower crane accident.

\* Preventive measures for serious industrial accidents jointly taken by competent ministries (August), preventive measures for serious industrial accidents involving tower crane (November)
  - Public concern increased over food safety and chemical substances that come into contact with the human body due to poor responses to the **pesticide-contaminated eggs incident and the controversy over toxic chemicals used in sanitary pads.**
- ☐ **Low public confidence in health and medical care systems due to infection incident, etc.**

- The deaths of newborn infants due to bacterial infections at Ewha Womans University Medical Center, a health care institution specialized in serious illnesses, and other incidents caused public alarm over the **health and medical care systems**.
- Under the health and medical care system today, a **regional trauma center cannot operate effectively** because of excessive fixed costs; and the rate of patient transport to the center is very low (6.7%) due to inadequate transportation arrangements.
- **Lack of communication with the field and collaboration between ministries** in addressing education and social issues
  - In the course of implementing some educational tasks, **lack of communication and collaboration** with policy customers and ministries concerned resulted in **reversal** of policies, **confusion**, and **conflicts** after announcement of policies.\*
  - \* Postponement of revision of the national college entrance exam system, revocation of the ban on after-school English education in the *Nuri* curriculum for 3-5 year olds, conflicts over simultaneous administration of entrance exams for autonomous private high schools, foreign language high schools, international high schools, and ordinary high schools, etc.
  - **Out-of-school adolescents at risk** were put into the management **blind spot** due to lack of information sharing between ministries concerned, leading to serious social problems such as a gang assault on a female middle school student.

## Improvement approach

- ◇ Intensify government-wide efforts to **tackle the low birth rate** and formulate customized measures to **prevent recurrence of disasters and safety accidents**.
  - ◇ Stave off confusion and conflicts through improved public communication and inter-ministerial collaboration with respect to **issues that impact nearly the entire population** such as **revision of the college entrance exam system**.
- 
- Development of **fundamental measures to tackle the low birth rate**
    - Increase effectiveness of policies by restructuring the 3<sup>rd</sup> master plan to tackle the low birth rate and population aging (2016-2020) under the leadership of the **Committee on Low Birth Rate and Population Aging**\* that has been reorganized.
  - \* Appointment of a deputy chairperson, increase in the number of commissioned members from 10 to 17, establishment of a secretariat under the committee, etc.
  - Development of **disaster site-specific measures to prevent safety accidents and minimize damage**
    - **Establish measures in consideration of the type of disaster and the characteristics of a disaster site** and devise means to compel the field to comply with **safety measures** such as **eradication of sham inspections**.
    - Tighten safety management for **agricultural, livestock, and fishery products** by implementing **the comprehensive food safety improvement measures** to develop the livestock industry and improve the certification system.

☐ **Establishment of the healthcare system that effectively protects people's lives**

- Formulate comprehensive measures to improve the infection monitoring and response systems to **prevent recurrence of medical malpractice**, improve the evaluation system for medical institutions, and toughen standards for healthcare personnel and facilities.
- Raise the trauma survival and recovery rate of the healthcare system by formulating **measures<sup>\*</sup> to improve the severe trauma treatment system** such as improvement of and further support for the patient transport system.

\* Training of trauma treatment specialists and provision of a wider range of support for them, use of firefighting helicopters for trauma treatment, improvement of the health insurance fee scheme, etc.

☐ **Enhancement of inter-ministerial collaboration and communication with the field to resolve educational and social issues**

- Reach an agreement on **major educational issues** through **inter-ministerial cooperation** and sufficient communication with students, parents, and teachers by establishing **a hearing process**.
- Bolster the social safety net to protect adolescents at risk by re-examining the overall support system for **out-of-school youths** and sharing information and policies between ministries concerned.

#### (4) Well-balanced development across every region

- ◇ The government **presented implementation directions for strong decentralization tantamount to a federal system** and solidified the foundations for **balanced development** such as **urban renewal new deal**.
- ◇ There were some delays in establishment of implementation systems to lead **decentralization**, and multifunctional administrative cities and innovation cities hardly drive regional growth.

#### Key policy outcomes

- Implementation of **decentralization** through **empowerment and financial independence of local governments**
  - Built **horizontal partnership for state administration between central and local governments** through the President's meetings with **provincial administration leaders** and proposed a blueprint for **decentralization through the decentralization roadmap** (provisional).
    - \* △ Transfer of authority from the central government to local governments △ Fiscal decentralization △ Selection of 5 strategies and 30 core tasks to improve local autonomy capacity
  - Discussed in depth fiscal decentralization by announcing **plans to improve the local fiscal system**<sup>\*</sup> and basic directions for **fiscal decentralization**<sup>\*\*</sup> and forming **government-wide fiscal decentralization task force**.
    - \* Further empowering local councils and local governments to formulate their budgets, reducing the scope of projects subject to reviews by the central government, etc.

\*\* Changing the ratio of national taxes to local taxes from 8:2 intermediately to 7:3 and finally to 6:4, and increasing the local subsidy rate

☐ Expansion of **autonomy of administration and fiscal management and resident participation in local governments**

- Devised measures to expand **organizational autonomy of local governments**<sup>\*</sup> to realize effective decentralization.

\* Autonomous management of the prescribed number of personnel, autonomous installation of departments or lower organizations, etc.

- Improved the local fiscal system by increasing **budget formulation autonomy** and **reducing the scope of investment projects subject to reviews of the central government**.

- Laid the foundations to expand **participatory democracy** by establishing an **online system that allows residents to request revision or abolishment of ordinances**, etc.<sup>\*</sup>

\* Residents can participate in making requests for revision or abolishment of ordinances through on-site signature and authentication digital signature.

☐ Establishment of **regional growth fundamentals for balanced development**

- Strengthened support systems for development of innovation cities by requiring relocated public institutions to formulate regional development plans and hire people from their region (30% by 2022).

- Announced execution plans for the **urban renewal new deal program** and selected 68 **pilot projects** to implement community-led renewal initiatives.<sup>\*</sup>

\* Shifting the urban renewal paradigm to transformation or renovation of decaying buildings into small-scale community facilities as well as environmental improvement rather than traditional large-scale demolition or redevelopment projects (improvement of dilapidated residential areas, revitalization of old downtowns, etc.)

- Enhanced functions of multifunctional administrative cities through additional relocation<sup>\*</sup> of the **Ministry of the Interior and Safety** and the **Ministry of Science and ICT**, construction of the Seoul-Sejong expressways ahead of schedule, and increase in their public interest.<sup>\*\*</sup>

\* Revising the Special Act on the Construction of Multifunctional Administrative City in Yeongi-Gongju Area for Follow-up Measures for New Administrative Capital; including the construction of government office buildings in the 2018 budget; etc.

\*\* Changing project financing schemes (private investment → Korea Expressway Corporation); shortening project period by one and a half years (opening in June 2024); and easing burden of toll fees

- Endeavored to develop **national innovation clusters** that connect innovation cities to their neighboring industrial complexes, universities, and other important locations.

- Supported key regional industries by implementing the **Korea maritime transportation reconstruction program**<sup>\*</sup> based on the enacted Korea Ocean Business Corporation Act and by sharpening the **competitiveness of ports**.<sup>\*\*</sup>

\* Establishing an agency dedicated to maritime transportation (Korea Ocean Business Corporation), forming the Korea Shipping Partnership, etc.

\*\* Designating maritime industry clusters (Busan Port and Gwangyang Port), redevelopment of old ports (4.65 million m<sup>2</sup> in 2017), etc.

- Continued efforts to **narrow economic and social gaps** to ensure sustainability of **agricultural, mountain, and fishery areas**

- Strengthened economic safety nets for farmers and fishermen by implementing **proactive measures<sup>\*</sup> to stabilize the supply and demand for agricultural products, improving disaster insurance plans, and raising unit prices of farming subsidies.<sup>\*\*</sup>**

\* Formulating the measures to stabilize the supply and demand for rice during the harvest season (September), raising rice prices during the harvest season by 19.7% from the previous year, etc.

\*\* Fixed subsidies for farms: KRW 400,000/ha (2012-2016) → KRW 450,000/ha (2017), fisheries: KRW 500,000/ha (2016) → KRW 550,000/ha (2017), etc.

- Improved living conditions in agricultural, mountain, and fishery areas by guaranteeing mobility rights of residents by offering **customized transportation services for under-served areas<sup>\*</sup>** such as 100-won taxi fares.

\* Expanding the agricultural-area transportation project (100-won taxi fare program, etc.) to 82 counties starting in 2018

- Laid the foundations to accelerate the **Saemangeum project** by deciding to establish the **Saemangeum Development and Investment Corporation**, have the **public sector lead the landfill projects**, and establish the **distribution transportation network** in early stages.

## Challenges

- Delays in formulation of action plans to **further decentralization**

- There are delays in appointment of members of the **Presidential Committee on Local Autonomy Development**, which will make major decisions on central-local cooperation and execution plans for legislative, administrative, fiscal, and welfare matters.



※ The Presidential Committee on Local Autonomy Development was officially inaugurated on January 23, 2018.

- Poor management of **public participation in the budget process** intended to **reinforce residents' control** over budget management
  - **The public's interest in participation in the budget process is insufficient** as demonstrated in the **low ratio of budgets compiled through the system**, and some local governments' failure to establish the committee on public participation in budgeting.\*

\* Of 243 local governments, 44 did not establish the committee (18%).

- Lack of **self-sufficiency of multifunctional administrative cities** and **weak functions of innovation cities as drivers of regional growth**
  - Although the city of Sejong has set roots quickly as the **relocation of most government organizations has been completed**, the city is not yet **self-sufficient** to the extent that it **attracts businesses** to create jobs.
  - Although the **establishment of fundamentals for innovation cities is at the final stage**,\* they have done little for **balanced development** by means of collaboration among industry, academia, and research institutions.

\* Of 153 public institutions required to relocate, 147 have already moved (96.1%, 49,000 persons).

- **Lackluster performance of industrial complexes that are regional industrial development hubs**
  - **Old industrial complexes are not very competitive** due to antiquated infrastructure; lack of cultural, welfare, and

convenience facilities; and lack of interest by talented people in taking jobs there.

\* Number of national and private industrial complexes more than 20 years old: 144 (2017) → 172 (2022)

- Concerns over side effects of the **urban renewal new deal program** such as **overheating of property markets**
- There are concerns over **overheating of property markets** driven by speculation, as well as occurrence of commercial and residential gentrification due to **rent hikes**.

### Improvement approach

- ◇ Devise **concrete action plans to improve the foundations to ensure self-reliance of local governments** including **fiscal decentralization** to substantially facilitate **decentralization**.
  - ◇ **Establish the fundamentals for innovation-driven regional growth** to help **innovation cities**, etc. serve as **local growth hubs**.
- 
- Establishment of **institutional fundamentals** of **constitutional amendments** on **decentralization**
  - Finalize quickly concrete action plans such as the **decentralization roadmap** to propose the directions of **constitutional amendments** on **decentralization** and lay the institutional groundwork.
  - **Accelerate in-depth discussion** on ways to implement **fiscal decentralization** and **fiscal balance** to realize **fiscal autonomy**, which is a basis for de facto local autonomy.

- **Development of competencies of local governments to prepare for decentralization**
  - Establish plans to **improve organizational competencies of local governments** in response to **increasing autonomy**.
  - Strengthen the government-level supports to finalize **decentralization models for the city of Sejong and Jeju Special Self-Governing Province**.
  - Establish plans to promote engagement of residents and local governments by analyzing and disseminating best practices of **public participation in the budget process** and granting incentives to outstanding local governments.
- **Render balanced regional development programs effective**
  - Reestablish the **balanced national development governance** and put systematic support systems in place by quickly revising **the Special Act on Balanced National Development**.
  - Implement effective measures to create the **ecosystem for innovation-driven regional growth** by expanding infrastructure of multifunctional administrative cities and innovation cities, revitalizing national innovation clusters, and upgrading the structure of industrial complexes.
  - Prevent side effects of the **urban renewal new deal** program through close monitoring of target regions, and discover and disseminate best practices.

## (5) A peaceful and prosperous Korean Peninsula

- ◇ The government continued its **efforts to peacefully resolve the North Korean nuclear standoff** on the basis of the solid Korea-U.S. alliance.
  - The government laid a **robust foundation for concerted efforts** to realize peace on the Korean Peninsula by **restoring relations with its four neighboring countries** including improved relations with China.
- ◇ **Security threats on the Korean Peninsula** remain as North Korea's **nuclear and missile threats** are rapidly advanced and materialized despite sanctions and pressures on North Korea imposed by the international community.

### Key policy outcomes

- **Increased international cooperation to realize denuclearization and a peace regime on the Korean Peninsula**
  - Pushed for **diplomacy with key relevant countries including countries participating in the six-party talks** (U.S., Japan, China, and Russia) in relation to **North Korea's nuclear program** and consolidated **cooperation with the international community**<sup>\*</sup> for peaceful resolution of the North Korean nuclear issue.
    - \* Unanimous adoption of strong U.N. Security Council Resolutions (2356, 2371, 2375, and 2397), etc.
  - Proposed a vision for inter-Korean relations and elicited **support of the international community** for resolution of the North Korean nuclear issue and establishment of peace on the Korean Peninsula through the President's **Berlin Initiative**, his **address to the U.N. General Assembly**, etc.

☐ **Normalization of diplomatic relations with neighboring countries and expansion of the diplomatic horizon**

- Restored **diplomatic relations with the four neighboring countries** through vigorous **summit diplomacy**.

- Laid the groundwork for **normalization of Korea-China relations** through the **President's state visit to China**, including resumption and restoration of **economic exchange and cooperation** and agreement on four principles for peace on the Korean Peninsula.\*

\* War on the Korean Peninsula not tolerated, denuclearization on the Korean Peninsula, peaceful resolution through dialogue and negotiation, and improvement in inter-Korean relations

- Expanded diplomatic horizon into Eurasia and ASEAN countries through diplomatic diversification and pluralization as demonstrated in the **new northern policy**\* and the **new southern policy**\*\*.

\* Strengthening cooperation with Eurasia through Korea-Russia summit talks (September), and a keynote speech at the 3<sup>rd</sup> Eastern Economic Forum (September)

\*\* Announcement of the new southern policy during the President's tour to Southeast Asian countries (Vietnam, Indonesia, and the Philippines in November)

☐ **Improved capabilities to respond to North Korean threats and realized responsible defense through defense reform**

- Reaffirmed the **robust combined defense posture**\* through the **Korea-U.S. summit talks** and sought to accelerate the **transfer of wartime operational control (OPCON)**\*\*.

\* Agreement to lift limits on the payloads of ballistic missiles (November), agreement on the acquisition of the U.S. highly-advanced military assets (September), etc.

\*\* Agreement to jointly formulate by 2018 the specific roadmap and plan for the OPCON transfer (ROK-US Security Consultative Meeting, etc. in October)

- Increased **defense budgets**<sup>\*</sup> in response to North Korea's nuclear and missile threats, quickly established the **Korean three-axis system**, and strengthened dedicated organizations<sup>\*\*</sup> in charge of North Korean nuclear and WMD issues such as the North Korea Policy Bureau under the Ministry of National Defense.

\* Increased defense budget for 2018 by 7% (largest increase since 2009) with a 14.5% increase in the three-axis budgets to KRW 550.9 billion

- Pursued **defense reform** through civilian control of the Ministry of National Defense, gradual reduction in active military personnel to 500,000 by 2022, shortening of the term of compulsory military service from 21 months to 18 months, etc.

- Promoted protection of human rights of military personnel and improved military service conditions through fact-finding investigations into **suspicious deaths in the military**,<sup>\*</sup> raising the **pay of conscripted soldiers**,<sup>\*\*</sup> and expanding **support for costs of medical treatment by private hospitals for career soldiers injured in the line of duty**.

\* Re-examining suspicious deaths in the military and recognizing such deaths as those in the line of duty (5 cases)

\*\* Formulating plans to increase the pay of conscripted soldiers in phases by 2022 and raising the pay for 2018 by 88%

- ☐ Continued efforts to **promote inter-Korean reconciliation and cooperation and resume humanitarian aid to North Korea**

- Conveyed **consistent messages on peace and dialogue to the North** through the **President's Liberation Day speech**, etc. and continually proposed talks with Pyongyang to induce the North to respond.

- ※ Restoration of inter-Korean communication channels (January 13, 2018), inter-Korean high-level talks (January 9), working-level talks at inter-Korean high-level talks (January 17), and final approval for the North's participation in the Pyeongchang Winter Olympics (IOC, January 20)
- Continued efforts to promote inter-Korean exchanges despite the strained South-North relations by allowing for **non-governmental exchanges** without prejudice to **sanctions against North Korea** imposed by the international community<sup>\*</sup>
  - \* World Taekwondo Championships Muju (June), International Youth Soccer Tournament (China in December), etc.
- Decided to grant USD 8 million for **mother-child health and nutrition support** projects for North Korea carried out by **international organizations** (UNICEF, WFP)
- Enhanced government accountability and maintained drive for South-North economic cooperation in the private sector by formulating measures<sup>\*</sup> to support the **Kaesong Industrial Complex and companies participating in inter-Korean economic cooperation**
  - \* Additional support of KRW 66 billion for resident companies at the Kaesong Industrial Complex

## Challenges

- Heightened **security threats on the Korean Peninsula** due to the **North Korean nuclear issue, etc.**
- It is urgent to secure a credible deterrent against North Korea as **North Korea's nuclear and missile threats are materialized** as shown in the North's sixth nuclear test and launch of a ballistic missile.

- Concerns over **cybersecurity** grow as cyberattacks **spread and increasingly affect people's daily lives**, including attacks on financial institutions and IT firms, as well as the defense sector and government agencies.

#### ☐ **Prolonged tension between the two Koreas and uncertainty**

- There are limitations in resolution of humanitarian issues such as the **reunions of separated families** due to the North's refusal to accept the government's efforts to improve inter-Korean relations such as the repeated proposals for dialogue.
- The **uncertainty** over inter-Korean relations persists after the Pyeongchang Winter Olympics and the Paralympics.

#### ☐ **Low public awareness of reunification**

- Despite a variety of education programs on reunification, the public's **positive perception of reunification** continues to fall, which indicates that efforts to raise awareness of reunification are insufficient.

\* Positive perception of the need for reunification (2017 survey of the South-North integration, Korea Institute for National Unification): (2014) 69.3% → (2016) 62.1% → (2017) 57.8% (28.8% for respondents in their 20s)

- Those in their **20s** have low awareness of the need for reunification, and their negative perception of the North increased because of the **North's continued provocations**.

#### ☐ **Uncertainty over Korea-Japan relations**

- Conflicts in **Korea-Japan relations** persist due to long-standing historical issues including the **Japanese military comfort women**.



## □ **Public's declining confidence in defense acquisition system**

- Despite imposition of tougher punishments and sanctions against **defense corruption** and preventive measures, reversing the **public's negative perception** is difficult due to controversies over the defective quality of weapons systems.\*

\* Controversy over defects in Surion Helicopter, explosion of K9 self-propelled howitzer that left three soldiers dead, etc.

### Improvement approach

- ◇ Continue efforts to **denuclearize the Korean Peninsula** by **stepping up cooperation** with the international community and accelerate implementation of initiatives to **build up defense capabilities**.
- ◇ Implement the **measures taken after the President's visit to China** and strengthen cooperation with neighboring countries through **development of forward-looking relations between Korea and Japan**, etc.

## □ **Reinforcement of capabilities to better respond to asymmetric threats** such as North Korea's nuclear and missile provocations

- Continue to strive to cooperate with the international community including the **countries participating in the six-party talks** (U.S., Japan, China, and Russia) on the basis of the solid **Korea-U.S. alliance**.
- Follow up on the **revision of Korea-U.S. missile guidelines**, speed up efforts to **acquire and develop high-tech military assets**, and focus capabilities on establishing the **Korean three-axis system** quickly.

- Shore up capabilities to counter cyber threats through **human resource development, education, technology development** and **government-wide cooperation**.
- Efforts to **effectively improve inter-Korean relations** and **build public consensus on reunification**
  - Maintain and develop the momentum for **improvement of inter-Korean relations** created through **the Pyeongchang Winter Olympics** and make all-out efforts to resolve the **issue of separated families**.
  - Analyze root causes of decline in public awareness of reunification and offer **diverse and substantive** education programs on reunification primarily to **the young generation**.
- Materialization of **outcomes of the Korea-China summit talks** and ongoing efforts to **improve Korea-Japan relations**
  - Implement agreements such as resumption of **Korea-China economic cooperation** projects and quickly produce **tangible outcomes** that the public can clearly notice.
  - Continue efforts to **resolve the contentious historical issues** on the basis of truths and principles and expand communication and cooperation to **develop forward-looking Korea-Japan relations**.
- **Restoration of public trust through eradication of defense industry corruption and reinforcement of defense competitiveness**
  - Forestall irregularities and corruption, improve **transparency and professionalism** in defense industry, and devise measures to improve the **overall defense acquisition system** such as shoring up defense R&D capacity.

## 2. Evaluation of Job Creation

### 1

### Evaluation overview

#### ☐ Evaluation goal

- Support **state administration focused on job creation** by analyzing and evaluating central administrative agencies' efforts to implement job-related policies such as **creation of quality jobs** and **improvement of the quality of jobs**.

#### ☐ Targets of evaluation

- 43 central administrative agencies (in order of office organization)
  - Classify target agencies into **three groups** in consideration of their relevance to job creation and their size.

Classification		Agency
<b>Ministerial-level</b> (23)	Focusing on job creation (13)	Ministry of Economy and Finance, Ministry of Education, Ministry of Science and ICT, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups
	Focusing on improvement of systems and conditions (10)	Ministry of Foreign Affairs, Ministry of Unification, Ministry of Justice, Ministry of National Defense, Ministry of Environment, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission, Anti-Corruption & Civil Rights Commission
<b>Vice-ministerial-level</b> (20)		Ministry of Personnel Management, Ministry of Government Legislation, Korea Food & Drug Administration, National Tax Service, Korea Customs Service, Public Procurement Service, Statistics Korea, Military Manpower Administration, Defense Acquisition Program Administration, National Police Agency, National Fire Agency, Cultural Heritage Administration, Rural Development Administration, Korea Forest Service, Korean Intellectual Property Office, Korea Meteorological Administration, National Agency for Administrative City Construction, Saemangeum Development and Investment Agency, Korea Coast Guard, Nuclear Safety and Security Commission

## ☐ Evaluation methods

- Form the **job creation evaluation support division\*** to ensure professionalism and fairness in evaluation.

\* Composed of GPEC members, civilian experts recommended by the Presidential Committee on Jobs, etc.

- Conduct **quantitative and qualitative** evaluations according to evaluation indicators.
- Conduct **relative evaluation within a group** based on the classification of target agencies.

## ☐ Evaluation indicators

- **Job creation tasks\*** (70 points), **common indicators** (30 points), and **best practices** (5 points added) of each agency

\* A total of 69 tasks were related to job creation.

(unit: points)

Classification	Evaluation items	Evaluation indicators
Job creation tasks (70)	Policy implementation (30)	Execution of implementation plans
	Attainment of targets (20)	Attainment of performance indicators
	Policy impacts(20)	Outcomes other than performance indicators, and expected economic and societal effects
Common indicators (30)	Job creation and job quality improvement (20)	Improvement of working conditions (e.g. shortening of overtime work, active use of annual leave)
		Job sharing (new hiring based on total payroll costs)
		Efforts to convert non-regular workers to regular workers in the public sector
	Efforts to execute job creation policies (10)	Operation of a dedicated division and collaboration
Extra points (5)	Best practices submitted by agencies at their discretion	

## 2

## Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies		Vice-ministerial-level agencies
	Focusing on job creation	Focusing on improvement of systems and conditions	
<b>Good</b>	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of the Interior and Safety, Ministry of Employment and Labor	Ministry of Patriots and Veterans Affairs, Financial Services Commission, Anti-Corruption & Civil Rights Commission	Ministry of Personnel Management, Korea Food & Drug Administration, Korea Customs Service, Public Procurement Service, Statistics Korea, Military Manpower Administration
<b>Average</b>	Ministry of Education, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Ministry of SMEs and Startups	Ministry of Unification, Ministry of Justice, Ministry of National Defense, Ministry of Environment, Korea Communications Commission, Korea Fair Trade Commission	Ministry of Government Legislation, National Tax Service, Defense Acquisition Program Administration, National Police Agency, Cultural Heritage Administration, Rural Development Administration, Korea Forest Service, Korean Intellectual Property Office, Korea Meteorological Administration, National Agency for Administrative City Construction, Saemangeum Development and Investment Agency, Korea Coast Guard
<b>Poor</b>	Ministry of Oceans and Fisheries	Ministry of Foreign Affairs	National Fire Agency, Nuclear Safety and Security Commission

### ☐ Key outcomes

- The government set to implement **income-led growth driven by job creation** to realize a **people-centered economy** that serves as the groundwork for **sustainable growth**.
- **(Fundamentals)** The government established **a job-oriented state administration framework** by having central ministries and local governments set up their own **systems to exercise job creation initiatives** and by **redesigning policies and systems** to facilitate job creation.
- **(Job creation in the public sector)** The government, in an attempt to **pump-prime job creation in the private sector**, recruited roughly an additional **10,000 field public officials for work involving people's livelihood** and created more **social service jobs** in order to enhance public services.
  - The government formulated plans to **convert 205,000 non-regular workers in the public sector to regular workers**, of which about **69,000 temporary workers were actually rehired as regular employees**, thereby taking the lead in spreading exemplary employment practices to the private sector.
- **(Job creation in the private sector)** The government laid the groundwork for sustainable job creation in the private sector through the creation of an innovative startup ecosystem by developing new growth drivers such as ICT convergence industry and 5G in preparation for **the Fourth Industrial Revolution**, expanding venture funds, and promoting in-house ventures.
- **(Customized job creation)** The government created an **environment much more conducive to economic participation of youths and women** by granting incentives for additional employment of youths and establishing the family-friendly company certification system and provided more jobs suitable for **the presenile late middle-aged** and **the elderly** so that the **social safety net** could be further strengthened.

## ☐ Deficiencies

- **(Dissemination into the private sector)** Although the **public sector** took the **lead** in creating more jobs, **the job creation impact was hardly replicated across the private sector.**
  - **Deteriorating business sentiment and profitability and investment gaps between large companies and SMEs** are likely to suppress job creation in the private sector.
- **(Societal conflict)** **Disagreement and conflicts** arise among stakeholders in regard to the measures to **resolve labor market discrimination** such as **conversion of non-regular workers to regular workers and minimum wage hikes.**
- **(Youth unemployment)** Despite efforts to create more jobs for young people such as granting of **young jobseeker's allowance**, **youth unemployment** remains stubbornly high.

## 4 Evaluation results by area

### (1) Establishment of systems for job creation

- ◇ The government secured the impetus for job-oriented state administration by establishing **dedicated organizations for job creation** and **revising policies** on fiscal, tax, and financial **support**.
- ◇ More efforts need to be made to solidify the foundations for creation of quality jobs such as **instituting a shorter workweek** and **aggressively supporting startups**.

### Key policy outcomes

- Establishment of the **job-oriented state administration systems** such as **dedicated organizations** and **legislative and statistical supports**
  - Established and operated systems to implement job creation policies by ensuring that all central administrative agencies and local governments form **dedicated organizations** responsible for the policies and that **job creation officers** and **consultative bodies** are installed at the level of city, county, and district.
  - Shortened the **average review period for bills\*** by supporting **preliminary formulation and review of bills on job creation** to accelerate their enforcement.

\* Six bills including a revised bill on improvement of hiring practices for construction workers took an average of two days for review, 82% shorter than the average bill review period of 11 days.



- Overhauled the statistical data collection system to ensure effective formulation and implementation of job creation policies by **newly developing statistics for jobs created in the public sector and administrative statistics and trend statistics for jobs.**\*

\* Subdividing statistics by business size and providing changes in jobs created in sub-industries on a monthly and quarterly basis

## □ **Implementation of job-oriented fiscal, tax, and financial systems**

- Fully supported job creation by expanding **public funding for job creating projects**\* and incentivized local governments to create more jobs by incorporating **employment impact**\*\* into the **local fiscal system**.

\* (2017) KRW 11.1 trillion → (2018) KRW 12.4 trillion (up 11.8%, excluding out-of-work income maintenance subsidies)

\*\* △Using the employment impact when reviewing new investment projects △ Adding “efforts to create more jobs” to the eligibility for general grants

- Applied the **employment-friendly tax system** through introduction of **tax credits for increased employment**,\* expansion of **tax benefits for companies that convert non-regular workers to regular status**,\*\* and expansion of eligibility of entities with outstanding job-related performance for **exclusion from regular tax investigations**.\*\*

\* Tax deduction of KRW 3 million to KRW 11 million per hire (one year for large companies; two years for small businesses and mid-size companies)

\*\* Increasing from KRW 7 million per hire to KRW 10 million for small businesses; from KRW 5 million per hire to KRW 7 million for mid-size companies

\*\*\* The number of excluded entities rose from 9,294 in 2016 to 17,200 in 2017 by expanding the target entities from corporations to the self-employed.

- Expanded eligibility\* to exclude representatives of startups from **joint and several surety** demanded by **state-controlled financial institutions** and planned to **completely abolish the surety system in 2018** to reduce their liabilities in the event of failure and encourage more startups.

\* Startups less than 5 years old (2016) → Startups less than 7 years old (August 2017)

- Improved self-sustainability of SMEs and encouraged them to hire more people by **prohibiting** large companies from engaging in **unauthorized use of SMEs' technology** and **unfair reduction of unit prices**.

\* Measures to eradicate unauthorized use of technology (September 2017) and the comprehensive measures to ensure fair subcontracting (December 2017)

## Challenges

- Delays in establishment of institutional fundamentals for **shorter workweek**
  - Although the government is introducing a system (revision of the Labor Standards Act) because of companies' reticence toward reducing working hours, the implementation of the policy is delayed due to disagreement over **double payment of allowances for holiday work** and other issues.\*
- \* Holiday work is considered both holiday work and overtime work, so the allowances are paid in the amount equivalent to 200% (vs. 150%) of regular wage.
- Need for preparation for **complete abolishment of joint and several surety** for representatives of startups
  - The complete abolishment of joint and several surety is likely to **discourage financial institutions from advancing loans** to startups out of fear of incurring **non-performing loans**.

## Improvement approach

- ☐ Press for quick passage of the **bill on the shorter workweek** by more closely **communicating and consulting with the National Assembly and the labor unions** to **push ahead with policies to improve working conditions**.
- ☐ Prevent adverse side effects such as a **credit crunch** arising from the abolishment of joint and several surety and draw up measures to ensure its **soft landing** such as **improvement of the surety review process**.

## (2) Job creation and improvement of job quality in the public sector

- ◇ The government **took the lead in job creation by hiring more central and local public officials, raising the staff ceiling for public institutions, and converting non-regular workers into regular employees.**
- ◇ It is necessary to resolve **inter-union conflicts** arising from the status conversion and prevent and mediate **conflicts between the public and private sectors** resulting from **the increase in the number of social service jobs.**

### Key policy outcomes

- **Recruitment and relocation of public servants in understaffed areas** such as public safety, welfare, and education
  - Formulated **plans to recruit 174,000** public officials for field services and actually recruited **10,090 public safety officials**\* such as police officers and firefighters with revised supplementary budgets in 2017 so as to bolster **public service capabilities in the field.**
    - \* 5,575 central government officials: 1,104 police officers, 652 noncommissioned officers, 3,000 teachers, and 819 officials for public safety and others
    - 4,515 local government officials: 1,500 firefighters, 1,500 social workers, and 1,515 officials for public safety and others
  - **Relocated**\* the personnel in areas overstaffed by reason of declining administrative demand to understaffed areas and field service areas so as to **improve staffing efficiency and administrative service quality.**
    - \* Revision of government organization management guidelines: 5% of the staff ceiling of each ministry is to be relocated over the next five years.

- Promoted **job sharing** and encouraged the private sector to replicate it by improving the **total payroll costs system**.

- \* Cutting costs through reduction of overtime work and use of annual leave and utilizing the savings for recruitment

## ☐ **Increase in staffing and reform of hiring process in public institutions**

- Took the initiative in creating jobs by hiring about **22,000 persons** in public institutions including an addition of **2,454 persons**\* in the areas of **health and welfare, public safety**, etc. to improve public services.

- \* Additional recruitment by public institutions (persons): (originally planned for 2017) 6,000 → (revised for 2017) 8,454

- Established a fair and objective hiring process by introducing **blind recruitment**\* whereby applicants are **evaluated based on their abilities** rather than their hometown, family, educational background, or appearance.

- \* All public institutions have introduced blind recruitment based on the blind recruitment guidelines for public institutions (July 2017).

## ☐ **Creation of social service jobs to meet public demand**

- Created **11,000 jobs** for social services\* such as **childcare and caregiver services** which are in high demand and in very short supply so as to render a wider range of services for each stage of life cycle and improve the **public's access** to such services.

- \* (2017) Teacher assistants, substitute teachers, caregivers for the elderly, assistant for the disabled, visiting nurse, etc.

- Continued to **increase the number of social service facilities to reduce women's child rearing burdens** and support their economic activities, and **manage safety of food service facilities for the socially disadvantaged.**

\* National and public daycare centers (units): (2016) 201 → (2017) 373  
 Children's meal service support center (units): (2016) 207 → (2017) 215

□ Conversion of **non-regular workers into regular workers** in the public sector **to resolve labor market discrimination**

- Set to resolve the issue of non-regular worker status, which results in **societal polarization**, by drawing up the **guidelines on conversion of non-regular workers into regular workers** in the public sector\* and **conducting special investigations into current practices**, etc.

\* In principle, fixed-term workers, dispatched workers, and subcontract workers who are engaged in permanent and ongoing work (for at least nine months a year; expected to continue the work for the next two or more years) are converted into regular employees (excluding exceptions by reason of old age, profession, etc.).

- **Formulated annual conversion plans\*** and made the final decisions to **convert 69,251 non-regular workers into regular employees** (93.4% of the conversion candidates) **in 2017\*\*** and sought to spread conversion initiatives to the private sector.

\* 205,000 persons in total = Non-regular workers performing permanent and ongoing duties (316,000 persons) - Exceptions from conversion (141,000 persons) + Margin for additional conversion (30,000 persons)

\*\* Of 74,114 conversion candidates for 2017, fixed-term workers accounted for 78.4% (40,057/51,061 persons) and dispatched workers 126.6% (29,194/23,053 persons).

## Challenges

- ☐ **Inter-union conflicts caused by conversion to regular positions**
    - **Conflicts between non-regular workers and regular workers** arise due to **deteriorating treatment** of the regular workers stemming from the costs of conversion and **perceived unfairness of the new channel for the non-regular workers to regular positions**.
  - ☐ **Private sector's concerns over shrinking market due to expansion of public social service facilities**
    - Organizations involved with private-sector daycare centers oppose the **expansion of national and public daycare centers**,<sup>\*</sup> which is implemented with the aim of upholding public interest and improving the quality of daycare services.
- \* Seeking to require newly built apartment complexes with at least 500 households to establish national or public daycare centers in their administration building.

## Improvement approach

- ☐ Facilitate conversion of **non-regular workers into regular workers in the public sector** by facilitating communication between the two groups, publicizing the justification for the conversion, resolving the inter-union conflicts through field consulting services, and producing good outcomes.
- ☐ Strengthen **prior consultation and coordination** to prevent spread of conflicts with the private sector with respect to expansion of social service facilities for **childcare, elderly care, and health care services** such as national and public daycare centers.

### (3) Sustainable job creation in the private sector

- ◇ The government expanded the foundations for job creation in the private sector by developing new ICT convergence industries to proactively respond to the Fourth Industrial Revolution, creating an **innovative startup ecosystem**, and developing **innovative local growth hubs**.
- ◇ The government still needs to more aggressively address **roadblocks to job creation** in the private sector such as **disparities between large companies and SMEs** and help build **cooperative labor-management relations** to facilitate sustainable job creation.

#### Key policy outcomes

- Promotion of **job creation in new industries** in preparation for the **Fourth Industrial Revolution**
  - Accelerated creation of **new jobs correlative to the Fourth Industrial Revolution** by developing **new industries derived from convergence of IoT, big data, and cloud**, as well as **drone, electric car and self-driving car**, and **renewable energy industries**.
    - \* Job creation impacts (number of persons): New industries in the ICT convergence sector (15,600), electric cars (1,000), renewable energy (56,000), etc.
  - Established the foundations to create jobs in ICT convergence industries by rendering **the world's first pilot services of the fifth-generation (5G) mobile network** (Pyeongchang) and formulating measures to actively utilize **10 Gbps Internet connections**.
    - \* Commercialization of 5G mobile networks likely create new jobs for 56,000 persons by 2022.



☐ Creation of an **innovative startup ecosystem** for job creation

- Promoted establishment of startups by relaxing **establishment requirements for venture capital firms**<sup>\*</sup>, establishing **venture funds**<sup>\*\*</sup>, and raising the **crowd funding** investment ceiling, and increasing **income tax deduction rate for angel investment**.

\* Reduced paid-in capital required for establishment of a venture capital firm from KRW 5 billion to KRW 2 billion.

\*\* New venture funds: (2016) KRW 3.2 trillion → (2017) KRW 4.4 trillion

- Fostered startups and SMEs as leaders of job creation by promoting **in-house ventures and spin-off startups**, minimizing **burden on startups**<sup>\*</sup> and providing support 19,000 SMEs for **each step of startup, growth, and re-startup after failure**.

\* Expanded the scope of the re-startup success package; rendered R&D support to startups that try for a second time; created exclusive funds for re-startup support, etc.

☐ **Job creation in local areas** through development of **innovative local growth hubs**

- Developed, with focus on innovation cities<sup>\*</sup> and industrial complexes, **national innovation clusters, leading investment zone**<sup>\*\*</sup>, **6<sup>th</sup> industrialization zone for agriculture**, etc. as new growth drivers in local areas.

\* Completed the first phase of construction of innovation cities (10 cities), and required the hiring of human resources locally (18% in 2018 to 30% in 2022).

\*\* Designated five new zones in 2017 (Investment of KRW 1.5 trillion over the next five years is expected to create 21,000 jobs).

- Promoted sustainable job creation in local areas through the **economic bloc industry development program**,<sup>\*</sup> **urban renewal new deal program**,<sup>\*\*</sup> etc.

\* Created 1,270 jobs in technology development and commercialization.

\*\* Selected 68 pilot companies in 2017.

## ☐ **Raise in minimum wage** to ensure workers' basic living

- Set the **minimum wage at KRW 7,530 per hour**<sup>\*</sup> for 2018, which is the first raise in eight years, by resolution of all members of the Minimum Wage Committee and laid the groundwork for minimum wage of **KRW 10,000 per hour to resolve social polarization**.

\* Increase of KRW 1,060 (16.4%) from KRW 6,470 for 2017, the highest-ever minimum wage hike

- Rendered **job security subsidies**<sup>\*</sup> to SMEs and small businesses and implemented measures<sup>\*\*</sup> to relieve burden on them to achieve a soft landing of the **minimum wage hikes**.

\* Support for employers with fewer than 30 workers; and granted KRW 130,000 per worker with monthly pay of less than KRW 1.9 million

\*\* Expanded subsidies for extension of employment of the elderly, reducing credit card fees, easing the tax burden including VAT, etc.

## **Challenges**

### ☐ Concerns about contraction in **job creation** in the private sector

- Factors of contraction of employment persist, including declining **employment sentiment** of SMEs<sup>\*</sup> and **dual labor market structure**<sup>\*\*</sup> as indicated in disparities between large companies and SMEs and between regular workers and non-regular workers.

\* Between April 2017 and the first quarter of 2018, businesses planned to hire 303,000 persons, down 1,000 persons year-on-year. (Businesses with fewer than 300 workers planned to hire 1.6% fewer persons.)

\*\* Wage disparities (as percentages of wages earned by regular workers of large companies in 2016): 62.7% for non-regular workers of large companies, 52.7% for regular workers of SMEs, and 37.4% for non-regular workers of SMEs

☐ Need for greater efforts to build **cooperative labor-management relations**

- Despite government efforts to build **win-win cooperative labor-management relations** that are essential for creating good jobs, there are numerous challenges to tackle including the **shortening of the workweek, wage system revision, improvement in relations between contractors and subcontractors.**

### Improvement approach

☐ Continually seek and implement measures to create more jobs in the private sector by means of stronger **expansionary fiscal policy** and creation of an ecosystem conducive to establishment of **win-win cooperative relations between large companies and SMEs** (e.g. cooperation benefit sharing system).

☐ Shore up the **foundations for sustainable job creation** by ensuring **job security** and improving **labor productivity** through rapid establishment of cooperative labor-management relations, **promotion of basic labor rights**, and **rectification of discriminatory practices** in the labor market.

#### (4) Customized support for job creation

- ◇ The government rendered the environment more conducive to **equal employment opportunities** and reinforced labor market dynamics by rendering **customized support** to youths, women, and the presenile late middle-aged.
- ◇ The government needs to prepare for a **worsening job market** as **entry into the labor market of the echo-boom generation** is expected to **increase through 2021**.

#### Key policy outcomes

- Expansion of support for **job creation for youths**
  - Rendered **incentives for additional employment of youths<sup>\*</sup>** to SMEs to provide youths with more job opportunities and help SMEs resolve their manpower shortages.
    - \* Subsidizing for three years the wages of one of three youths hired as regular employees by an SME  
(SMEs were invited to participate in the incentive program on three occasions, and 3,438 workers from 2,036 SMEs were selected for the program.)
  - **Motivated the young people to seek jobs by granting those who participate in the employment success package the job-seeking promotion allowances<sup>\*</sup> of KRW 300,000 per month for up to three months.**
    - \* As of December 2017, 113,561 persons applied for the package, and KRW 36.3 billion was granted.
  - Fully utilized the **employment-oriented military specialist system<sup>\*</sup>** to enhance **vocational skills** of youths subject to compulsory military service and expand their **job opportunities** after discharge.

- \* Youths with high school education or lower subject to compulsory military service may receive vocational training before enlistment, serve in the military as a technical specialist, and then receive support when getting a job after discharge. (Recruits for the system: (2016) 1,300 persons → (2017) 1,800 persons)

## □ **Prevention of women's career interruption and support for their reentry into labor market**

- Promoted societal participation in women's career development and maintenance by certifying more companies as **family-friendly**,<sup>\*</sup> waging a career interruption prevention campaign, and enacting or revising **local government ordinances**.<sup>\*\*</sup>

\* Number of companies certified as family-friendly: (2016) 1,828 → (2017) 2,802

\*\* Example: Incheon Metropolitan City enacted an ordinance on promotion of women's career maintenance.

- Offered extensive customized support for women's employment and startup and produced tangible outcomes such as **decline in the number of the career-interrupted women**<sup>\*</sup> and increase in the **employment rate for women**.<sup>\*\*</sup>

\* Number of career-interrupted women: (2016) 1,910,000 → (2017) 1,810,000

\*\* Employment rate for all women (women in their 30s): (2016) 56.2% (58.3%) → (2017) 56.9% (59.6%)

- Promoted **paternity leave** by **increasing parental leave allowances for the first three months** after paternity leave<sup>\*</sup> and improving the **paternity leave bonus system**.<sup>\*\*</sup>

\* (Existing) 40% of monthly pay (upper limit of KRW 1 million) → (Improvement) 80% of monthly pay (upper limit of KRW 1.5 million)

\*\* The upper limit rises from KRW 1.5 million to KRW 2 million starting with the second child. (The upper limit will also increase to KRW 2 million for the first child starting in July 2018.)

□ Expansion of **participation in the labor market by the presenile late middle-aged and the elderly** in preparation for **population aging**

- Laid the foundations<sup>\*</sup> to render support to the retired middle-aged depending on their **life path** and provided them with **personalized life-career planning services**<sup>\*\*</sup> so as to increase the possibility for their startups or outplacements.

<sup>\*</sup> Plans to prepare for the third phase of life of the presenile late middle-aged (August 2017)

<sup>\*\*</sup> Expansion of eligibility for life-career planning services: (2016) jobholders → (2017) jobholders + jobseekers

Number of participants in life-career planning services: (2016) 12,576 persons → (2017) 23,009 persons (up 83.0%)

- Provided more jobs for the elderly including public-interest activities to increase **the demand satisfaction rate**<sup>\*</sup> **for the elderly** who desire to participate in the labor market; and **increased public-interest activity allowances**.<sup>\*\*</sup>

<sup>\*</sup> Number of jobs for the elderly: (2016) 419,000 → (2017) 467,000; demand satisfaction rate: (2016) 34.0% → (2017) 36.3%

<sup>\*\*</sup> Public-interest activity allowances: (2016) KRW 200,000 → (2017) KRW 220,000 → (supplementary budget for 2017) KRW 270,000

## Challenges

□ Concerns over persistent **youth unemployment**

- **High youth unemployment has persisted** due to decline in employers' recruitment and their preference for experienced workers; and the issue is likely to worsen as an increasing number of people in their late 20s seek to enter into the labor market between **2017 and 2021** (about 390,000).

<sup>\*</sup> Youth unemployment rate: (2015) 9.2% → (2016) 9.8% → (2017) 9.9%

☐ Limited employment assistance for **career-interrupted women with advanced degrees**

- Although policy impacts have begun to appear, such as an increase in the number of women going back to work through outplacement centers, the jobs offered tend to be concentrated on **low-paying and in small businesses**.

\* Number of people employed through outplacement centers: (2016) 154,000 → (2017) 171,000 (up 11%)

Among the jobs arranged by outplacement centers, 67.3% were offered by companies with fewer than 50 employees. (Analyzed 69,776 of 72,034 cases for 2017)

**Improvement approach**

☐ Devise **comprehensive measures for youth employment that are readily apparent** by overhauling the youth employment practices and measures.

\* The youth employment policy perception survey (November 2017) showed that priority tasks were cited in order of improvement of job quality, increase of job openings, and conversion to regular positions.

☐ Expand employment assistance services by reinforcing **programs to prevent career interruption** through imposition of shorter workweek during childbearing and establishment of more daycare centers in workplaces and by providing highly-educated career-interrupted women with **high-value added jobs** relating to the Fourth Industrial Revolution.

### 3. Evaluation of Regulatory Reform

#### 1 Evaluation overview

##### ☐ Evaluation goal

- Lay the foundations for the Fourth Industrial Revolution, further stabilize people's livelihoods, and improve policy perception by reviewing and evaluating central administrative agencies' regulatory reform efforts and outcomes.

##### ☐ Targets of evaluation

- 29 central administrative agencies (in order of office organization)

Classification	Economic ministries (15)	Social services ministries (14)
Ministerial-level agencies (19)	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission	Ministry of Education, Ministry of Justice, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Health and Welfare, Ministry of Environment, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Patriots and Veterans Affairs
Vice-ministerial-level agencies (10)	Korea Customs Service, Public Procurement Service, Rural Development Administration, Korea Forest Service, Korean Intellectual Property Office	Korea Food & Drug Administration, Military Manpower Administration, National Police Agency, National Fire Agency, Cultural Heritage Administration

※ Exclusive of 14 ministries that have three relevant tasks or less in their regulatory revision plans



## ☐ Evaluation methods

- Formed the **private and public joint regulatory reform evaluation support division**\* to ensure **professionalism and fairness** in evaluation (27 persons).

\* Composed of civilian members of the Regulatory Reform Committee, civilian experts on regulation, etc.

- Broke the division down into **5 subdivisions** based on the nature of tasks and characteristics of ministries (Economy 1 and 2, Social Services 1 and 2, and Regulatory Improvement for Job Creation).
- Conducted **quantitative and qualitative** evaluations depending on evaluation indicators.

## ☐ Evaluation indicators

- Regulatory improvement (60%), regulatory review (25%), and public perception (15%)

Evaluation items		Evaluation indicators	Remarks
Regulatory improvement (60)	Outcomes of regulatory revisions of regulatory improvement tasks	· Outputs of regulatory revisions through reform tasks	Quantitative/ qualitative
		· Outputs of handling suggestions made through the Regulatory Reform <i>Sinmungo</i> (e-petition system)	Quantitative
		· Outputs of regulatory revisions for local governments	Quantitative/ qualitative
		· Outputs of improvement of on-site regulatory bottlenecks	Quantitative
	Revision through tasks relating to new industries	· Outputs of acceptance and implementation of suggestions to remove regulatory bottlenecks in new industries	Quantitative
		· Efforts to shift to negative regulation	Qualitative
	Outcomes of regulatory improvement for job creation	· Outcomes of regulatory improvement, and institutional improvement plans	Quantitative/ qualitative
Regulatory review (25)	Compliance with the regulatory review process	· Compliance with regulatory review processes and impact analysis	Quantitative/ qualitative
	Revision and registration of sunset regulations	· Outputs of revision and registration of sunset regulations	Quantitative
Public perception (15)	Satisfaction with regulatory reform	· Regulatory reform satisfaction survey	Qualitative
	Outputs of public communication for regulatory reform	· Communication with the media on regulatory reform and on-site activities	Quantitative/ qualitative
Others (+3)	Points added	· Participation in regulatory reform training and efforts to promote regulatory reform	Quantitative

## 2

## Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Science and ICT, Ministry of the Interior and Safety, Ministry of Agriculture, Food and Rural Affairs, Ministry of Employment and Labor, Ministry of Land, Infrastructure and Transport	Korea Food & Drug Administration, Korea Forest Service, Korean Intellectual Property Office
<b>Average</b>	Ministry of Economy and Finance, Ministry of Justice, Ministry of Culture, Sports and Tourism, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Environment, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission	Korea Customs Service, Public Procurement Service, National Police Agency, Cultural Heritage Administration, Rural Development Administration
<b>Poor</b>	Ministry of Education, Ministry of Gender Equality and Family, Financial Services Commission	Military Manpower Administration, National Fire Agency

### □ Key outcomes

- **Facilitated the Fourth Industrial Revolution** through regulatory reform in the new industries.
  - \* Formed a task force (July 2017) and distributed guidelines on shifting the regulatory framework to comprehensive negative regulation (October 2017) → Devised improvement plans for 38 tasks for shifting to comprehensive negative regulation by such means as making vehicle classification more flexible (December 2017).
  - \* Discovered and removed regulatory bottlenecks in new industries through operation of the committee on regulatory innovation for new industries → Identified tasks through on-site communication (32 occasions) such as on-site meetings and visits, and addressed 89 issues including granting of permission for installation of a photovoltaic power station in an agricultural promotion area.
- **Promoted stabilization of people's livelihoods and reduced burden on SMEs** by revamping unreasonable regulations.
  - \* (Administrative investigation) Revamped 175 investigations after examination of management practices of all administrative investigations (608) (May to August 2017) → Reports of administrative investigation innovation plans underway
  - \* (Local regulations) Revamped 47 regulations after local governments' suggestions and ministries' review and coordination → Revision of regulations underway to promote local development and residents' convenience
  - \* (Regulations restricting competition) Revamped 25 regulations that restrict competition after identification of tasks and reviews and adjustments of regulations by competent ministries → Revision of regulations underway
- **Improved the field perception** of regulatory reform through revisions of regulations with direct impact on the field and everyday living

\* (On-site meeting for regulatory reform) Held two meetings presided over by the Prime Minister.

△ Made the first announcement on the plans to revamp regulations that bottleneck SMEs and venture businesses and the revisions of 41 regulations.

△ Made the second announcement on regulatory reforms for new industries, implementation directions of reform sandboxes, and revisions of 23 regulations.

\* (Regulatory bottlenecks in the field) Held 29 regulatory improvement meetings to hear from the field about regulatory bottlenecks → Addressed challenges identified in 103 tasks after ministries' review and consultation on the tasks identified (May – December).

\* (Regulatory Reform *Sinmungo*) Used the e-petition procedure to allow policy customers to directly make online suggestions on regulatory bottlenecks → Contributed to improvement of public perception of regulatory reform through better access and rapid response.

## ☐ Improvements and complementary measures

○ **Bolster cooperation with the National Assembly to ensure the passage of bills on new industries and regulatory reform systems through the National Assembly.**

\* (New industries) Three bills under preparation including the Special Act on Promotion of Information and Communications Technology, Vitalization of Convergence Thereof, Etc. (pending at the National Assembly) and the Industrial Convergence Promotion Act (Regulatory reform systems) Amendment of the Framework Act on Administrative Regulations underway including case-specific application of regulations (submitted to the National Assembly in December)

○ **Actively identify reform tasks through on-site communication and public suggestion and exert government-wide regulation reform efforts so as to improve public perception of regulatory improvement and produce tangible outcomes.**

## 4 Evaluation results by area

### (1) Regulatory reform for new industries

#### Key policy outcomes

- **Promotion of new industries** through shortening of time to market for new products and services by **changing the regulatory paradigm and removing bottlenecks in the field**

- Shifted the regulatory paradigm to **comprehensive negative regulation** characterized as “permitted first, regulated later,” which is an expanded concept of negative regulation (“principles allowed and exceptions prohibited”).

\* Formed a task force (July 2017) → Devised guidelines on shifting the regulatory framework to comprehensive negative regulation (October 2017) → Formulated improvement plans for 38 tasks relating to such shift (December 2017).

#### <Example of the shift to comprehensive negative regulation>

- ▶ Rendering the vehicle classification system flexible (Ministry of Land, Infrastructure and Transport)

**Previous** There was a limited list of vehicle types based on structure, size, displacement, etc.

**Improved** The vehicle type classification system was made flexible by introducing the “innovation” category.

- **Operated the Committee on Regulatory Innovation for New Industries**<sup>\*</sup> composed of civilian experts to discover and reform regulations that bottleneck new industries.<sup>\*\*</sup>

\* 5 subdivisions (unmanned vehicles, ICT convergence, biohealth, energy and new materials, and new services); 120 members

\*\* Identified tasks through on-site communication (32 occasions) including on-site

meetings and visits, and addressed 89 issues.

#### <Example of removal of bottlenecks in new industries>

- ▶ Permitting a photovoltaic facility to be installed in the agricultural promotion area (Ministry for Food, Agriculture, Forestry and Fisheries)

**Previous** The installation of a photovoltaic facility was permitted only in buildings that obtained permits before December 31, 2015.

**Improved** A photovoltaic facility can be installed in legitimate buildings regardless of their construction completion time.

## Challenges

- ☐ **Efforts were insufficient to voluntarily and actively discover tasks due to resistance from organizations and institutions seeking to maintain their vested interests** with respect to shift of the regulatory paradigm to comprehensive negative regulation.

## Improvement approach

- ☐ **Expand the scope of target regulations<sup>\*</sup>** to discover more necessary tasks so as to facilitate replication of policy outcomes in the private sector.

\* (Central and local governments) Acts and subordinate statutes →  
(Public institutions) rules and guidelines

## (2) Reform of regulations causing public inconvenience and complications in people's livelihoods

### Key policy outcomes

#### ☐ Reform of unreasonable regulations for the benefit of the public and SMEs

- Overhauled and revamped all administrative investigations that are considered to cause **undue inconvenience and burden on people and SMEs** for the first time since the enactment of the **Framework Act on Administrative Investigations**.\*

\* Revamped 175 investigations: Abolishment of 5 investigations and improvement of investigation methods, including decreased investigation frequency, in 170 cases

#### <Example of reform for administrative investigation>

- ▶ Reduction of the number of submissions required to comprehensively manage information on the construction industry (Ministry of Land, Infrastructure and Transport)

**Previous** A construction contractor was required to enter **140 items** in the **comprehensive information network system for the construction industry** when executing a construction contract.

**Improved** The number of entry data **reduced to 87 items** by eliminating redundant and unnecessary items.

- Revamped unreasonable **local regulations** and **improved the uniform and centrally-mandated Acts and subordinate statutes and procedures** in accordance with **local needs and current conditions**.

\* Made 47 improvements: Renewal of underdeveloped region (23 cases), revitalization of local economy (14 cases), and resolution of public inconvenience (10 cases)

**<Example of reform of local regulations>**

- ▶ Allowing for establishment of a dormitory by use of property of a closed school within a fishery resources protection area (Ministry of Oceans and Fisheries)

**Previous** Building a dormitory within a fishery resources protection area was prohibited.

**Improved** Building a dormitory is permitted if property of a closed school is utilized.

- **Discovered and revamped regulations that restrict competition between businesses or undermine the benefits of consumers.**

\* Made 25 improvements: Food and necessities (10 cases), leisure (5 cases), and others (10 cases)

**<Example of reform of regulations that harm consumers>**

- ▶ Expanding the permitted flight area for ultra-light flying devices such as drones (Ministry of Land, Infrastructure and Transport and Ministry of National Defense)

\* Increased the number of **flight areas** from 29 to 31 by **adding** Gimje and Goryeong

## Challenges

- ☐ People **continue to cite inconveniences in everyday life** in the areas of health care, welfare, etc.

## Improvement approach

- ☐ Identify, through **public contests or suggestions**, and improve the tasks in the **areas where public demand for improvement and public perception are high**.



### (3) Regulatory reform centered on the field and policy customers

#### Key policy outcomes

#### □ Improvement of public perception by reforming regulations closely related to the field and policy customers

- Took the initiative in the **field-oriented regulatory reform** by holding **on-site meetings for regulatory reform**\* (chaired by the Prime Minister; two times).

\* △ Made the first announcement on plans to revamp regulations that bottleneck SMEs and venture businesses and removals of 41 bottlenecks.

△ Made the second announcement on regulatory reforms for new industries, implementation directions of reform sandboxes, and removals of 23 bottlenecks.

- Eliminated **regulatory bottlenecks readily perceived by** local governments, associations, and companies.

\* Held regulatory improvement meetings 29 times to hear from the field about regulatory bottlenecks → Refined challenges identified in 103 tasks after ministries' review and consultation on the tasks identified (May – December).

#### <Example of reform of regulatory bottleneck in the field>

- ▶ Reducing the minimum ownership interest of a founding entity of an innopolis research institute spin-off company depending on the size of its capital (Ministry of Science and ICT)

**Previous** The ownership interest of a founding entity of an innopolis research institute spin-off company is set at **20% uniformly**.

**Improved** The ownership interest can **vary depending on the size of its capital** (10%, 15%, or 20%).

- Pushed ahead with **customer-focused regulatory reform** by utilizing the **Regulatory Reform Sinmungo**, an online system to tackle regulatory bottlenecks.

\* In 2017, 1,987 regulatory bottlenecks were reviewed and addressed.

### <Example of regulatory reform through *Sinmungo*>

- ▶ Streamlining food labeling regulations (8 ministries including the Ministry of Food and Drug Safety)

**Previous** Regulations on **food labeling** that is mandatory in **product packaging** were **separately stipulated** by eight ministries and in 15 Acts and subordinate statutes.

**Improved** Regulations are enforced at the same time and information on labeling regulations is consolidated when given to manufacturers to **minimize the changes they need to make to their product packaging**.

### Challenges

- ☐ More efforts need to be exerted to reform regulations through communication with the field.

### Improvement approach

- ☐ Discover necessary tasks by receiving suggestions at all times from associations and organizations and paying **on-site visits**.

## 4. Evaluation of Policy Communication

### 1 Evaluation overview

#### ☐ Evaluation goal

- Evaluate efforts and outcomes of central administrative agencies with respect to public communication on policy tasks and key tasks in order to **enhance public understanding of policies of the new administration and raise public awareness of policy outcomes.**

#### ☐ Targets of evaluation

- 43 central administrative agencies

#### ☐ Evaluation methods

- Conducted **quantitative and qualitative** evaluations depending on the evaluation indicators.
- Formed the **private-public joint policy communication evaluation support division\*** and used it for qualitative evaluations to ensure fairness and objectivity in evaluation.

\* A total of 21 members: 3 divisions and 7 persons per division (5 civilian experts and 2 persons from the Public Communications Office under the Ministry of Culture, Sports and Tourism)

#### ☐ Evaluation indicators

Evaluation items	Evaluation indicators	Allocated points
Policy communication activities (31 points)	• Outputs of policy communication plans	7
	• Outputs of inter-ministerial collaboration for policy communication	16
	• Outputs of regular briefings and media coverage	8
Policy communication outcome (69 points)	• Outcomes of media and newspaper reports * Outputs of communication via international press	13 (±2 points)
	• Outcomes of policy communication by agency	16
	• Outcomes of online policy communication, etc. * Efforts to strengthen online public relations schemes	40 (+1 point)
Easy and accurate press releases of an agency		±2

\* Evaluations made on a 100-point scale and converted to a 10-point scale

## 2 Evaluation rating

\* Agencies are indicated in order of office organization

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Science and ICT, Ministry of Culture, Sports and Tourism, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Korea Fair Trade Commission	Korea Food & Drug Administration, Korea Customs Service, National Police Agency, Rural Development Administration, Korea Forest Service, Korean Intellectual Property Office
<b>Average</b>	Ministry of Economy and Finance, Ministry of Education, Ministry of Foreign Affairs, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Environment, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Financial Services Commission, Anti-Corruption & Civil Rights Commission	Ministry of Personnel Management, National Tax Service, Public Procurement Service, Statistics Korea, Military Manpower Administration, Cultural Heritage Administration, Korea Meteorological Administration, National Agency for Administrative City Construction, Saemangeum Development and Investment Agency, Nuclear Safety and Security Commission
<b>Poor</b>	Ministry of Unification, Ministry of Justice, Ministry of Patriots and Veterans Affairs, Korea Communications Commission	Ministry of Government Legislation, Defense Acquisition Program Administration, National Fire Agency, Korea Coast Guard

### ☐ Key outcomes

- **Improved public understanding of the national agenda and policy tasks of the new administration.**
  - **Promoted government-wide cooperation** in implementation of **policy tasks** such as job creation and establishment of fair market order; resolution of **policy issues** such as stabilization of the real estate market and household debt; and promotion of the Pyeongchang the Winter Olympics.
  - Established **efficient collaboration mechanisms** to link policies to public relations by **setting up the policy PR strategy meeting** (vice-ministerial-level).
  - Proposed **new policy communication platforms to hear the voice of the people** such as “Gwanghwamun 1<sup>st</sup> Street,” a public forum, and the consensus-building process for Shin Kori Nuclear Power Plant units 5 and 6.
- **Expanded direct and interactive communication with the public** through a wider range of online communication channels.
  - **Live streaming on social media, collection of public opinions** through public policy suggestions or inquiries, **participatory events**, etc.
  - \* Holding a talk concert between 50 people who suggested housing welfare policies and the Minister of Land, Infrastructure and Transport and streaming the show live

- Established and operated **Government SNS Live, an integrated content management system**, to improve the quality of online contents.

#### ☐ **Improvements and complementary measures**

- **Produce contents and devise media strategy** directed specifically at each group of policy customers.
  - Improve public perception of policies by using contents and media directed at youths, housewives, the self-employed, etc.
    - \* (e.g.) Webtoons or web drama for youths; bus ads or outdoor ads for the middle-aged, etc.
- **Exert greater efforts for crisis management and communication.**
  - Discover domestic and foreign **best practices for crisis management**, develop **education programs**, draft **crisis management and communication manuals**, etc.
- Improve **professionalism in online policy communication** in response to **changes in media environment** such as emergence of SNS.
  - Improve customized online professional education and promote and use online communication more extensively.

## 4

## Evaluation results by area

### (1) Policy communication activities

#### Key policy outcomes

- ☐ **Aggressive communication of national agenda and policy tasks in step with the launch of the new administration**
  - Waged the national unity campaigns\* by advocating a national vision and created **Gwanghwamun 1st Street**,\*\* a communication platform for the initial stage of the new administration (May - July), **marking the first 100 days of the new administration.**
    - \* “A country that I want to leave my child” (September - October), “Era of the President of the People” ads, etc. (July - September)
    - \*\* Offering programs such as Open Forum, Open Mike, Gwanghwamun 1st Street Reaching Out to You etc.
  - **Produced and disseminated visual contents\*** such as video clips and “card news” to build public consensus on the **administrative vision and policy tasks.**
    - \* “Walking a flowery path with policies” (music video), “My dream country; a new Korea” (video ad), etc.
- ☐ **Reinforcement of government-wide cooperation and communication system**
  - **Reinforced the linkage between policies and public relations by establishing the policy PR strategy meeting.**
    - Coordinated policy PR schedules and devised effective PR plans through the policy PR strategy meeting attended by vice ministers of central agencies (chaired by the Minister of the Office for Government Policy Coordination; weekly).
  - Discussed PR plans for policy tasks and **strengthened cooperation for PR** through a **spokespersons council.**

- Disseminated contents by use of 613 media outlets\* owned by ministries, their affiliated organizations, and public institutions.

\* 613 media outlets: 492 videos, 121 publications

- Exerted government-wide all-out PR efforts\* to promote **the Pyeongchang Winter Olympics and Paralympics.**

\* (All ministries) Used media, websites and blog banners, etc. owned by ministries and public institutions.

(Ministry of Science and ICT, Korean Culture and Information Service) Rendered cooperation in public relations directed at the foreign press for the “ICT Olympics” experience in the Pyeongchang Winter Olympics (18 news outlets from 17 countries).

## Challenges

- ☐ **Insufficient consideration of characteristics of each group of policy customers despite increased public participation in policy communication**
  - Public perception of policies needs to be enhanced by producing contents in consideration of policy customers’ characteristics and creating more channels for public participation.
- ☐ **Inadequate response to false reports on policies**
  - Although the government has addressed false and misleading reports by distributing press releases for corrections and explanations (1,536 cases), explanations were reported in the news articles concerned in only 447 cases (29.1%).
- ☐ **Greater need for communication in crisis management regarding internal and external risk factors such as the North Korean nuclear issue**



- The need for crisis management and communication has risen sharply due to increased **security concerns** stemming from the North Korean nuclear crisis, conflicts over the deployment of THAAD, etc. and **risk factors** that threaten the general public such as earthquakes, fires, and avian influenza.

### Improvement approach

- ☐ **Expansion of diversified channels of public participation considering policy customers**
  - Produce contents that meet public needs, and devise effective means of engaging the public in the process of policy communication (production, dissemination, and feedback) (e.g. utilization of young creators, establishment of a public monitoring group).
  - Collaborate with private channels such as video blogs and establish a public communication forum where all of society can participate.
- ☐ **Need for stronger response to false reports on policies**
  - Provide cogent explanations of policies, distribute press releases for explanations, and hold briefings to counter false reports.
- ☐ **Need for greater efforts for crisis management and communication**
  - Develop and support training programs on crisis management by introducing domestic and foreign best practices for crisis management.
  - Support government-wide issue and crisis management and communication arrangements such as consulting services, message development, and consultations prior to announcement.

## (2) Outcomes of policy communication

### Key policy outcomes

- ☐ **Communication by heads of agencies and strategic communication about major policies.**
  - Improved public communication through communication with the media and the field by such means as making appearances on TV and giving on-site briefings.
  - Waged **strategic public relations campaigns**\* by selecting key issues to communicate on a monthly basis and using a wider range of communication platforms.
- \* (Ministry of Science and ICT) In publicizing the “first meeting of the Fourth Industrial Revolution Committee” presided over by the President, a target-specific PR strategy was devised (the general public and opinion leaders); and direct communication was used through online live streaming, etc.
- ☐ **Establishment of an inter-ministerial collaboration system to enhance the quality of online contents**
  - Established **Government SNS Live** (September 2017),\* an integrated content management system that enables real-time collection and browsing of contents posted on the SNS channels\* of all ministries.
- \* A total of 198 social network services: Six channels operated by each ministry, i.e., Blog, Facebook, Twitter, YouTube, Kakaostory, and Instagram.
- ☐ **Utilization of new online communication platforms and O2O (online to offline) approaches**

- Produced contents in consideration of **new media trends** such as live streaming and web-based entertainment.\*
  - \* (Ministry of Employment and Labor) A web-based reality entertainment show “One Day Out of the Blue” posted on Naver TV, etc. (940,000 views)
- Built public consensus **through collaboration with video bloggers**\* who have great influence on SNS.
  - \* (Ministry of Oceans and Fisheries) Worked with Ms. Park Mak-rye, who is a 71-year old digital influencer, to promote the ‘cruise industry,’ which created the intended effect across all generations (200,000 views).
- Utilized **O2O-based**\* contents and events involving talk concerts and familiarization trips.
  - \* (Ministry of Land, Infrastructure and Transport) Invited 50 citizens who suggested housing welfare policies online to a meeting with the Minister (so-called “talk concert”) and broadcast it via live streaming.

## Challenges

- ☐ **Lack of user-friendly communications suitable for the mobile trend**
  - Mobile devices are rapidly becoming the primary means of online communications,\* and the government needs to respond appropriately.
    - \* Among the users of PC, TV, and mobile devices, 53.5% said they use mobile devices the most (2015), and the percentage of those who only use mobile devices for online communications increased from 3.6% in 2013 to 19% in 2017.

## ☐ **Need for systematic responsiveness to the foreign press**

- Although the interest of the foreign press in not only security and economic areas but also societal and other issues has increased and foreign media channels such as online media have greatly diversified, the government faces significant limitations in effectively and systematically responding to them.\*

\* The Spokespersons Council for the Foreign Press is in operation and serves six ministries that have spokespersons for the foreign press (Ministry of Economy and Finance, Ministry of Foreign Affairs, Ministry of Unification, Ministry of National Defense, Ministry of Trade, Industry and Energy, and Financial Services Commission), but ministries that do not have spokespersons for the foreign press cannot readily respond to the foreign press.

### **Improvement approach**

## ☐ **Contents production and dissemination in consideration of mobile environment**

- Promote **user-friendly contents production** in response to changes in the online environment.
- Improve online communication by providing training, sharing best practices, etc.

## ☐ **Improvement in communication management for the foreign press and diversification of communication channels**

- **Expand the Spokespersons Council for the Foreign Press** to include social services ministries.
- **Diversify communication channels** and improve public relations with various foreign press outlets including online channels.

## 5. Evaluation of Public Satisfaction

### 1 Evaluation overview

#### ☐ Evaluation goal

- Conduct **public satisfaction survey** on policy tasks and public communication in order to **produce perceivable outcomes of state administration**.
  - (**Policy satisfaction**) Evaluate public perception of **agencies' outcomes and efforts with respect to implementation** of 100 policy tasks and 37 key tasks.
  - (**Communication satisfaction**) Evaluate public satisfaction with **ministries' efforts and effectiveness** with respect to their communication about policy tasks and key tasks.

#### ☐ Targets of evaluation

- **43 central administrative agencies**

#### ☐ Evaluation methods

- **Entrusted the survey to private research institutes** in order to ensure **professionalism and objectivity** in evaluation.
  - (**Policy satisfaction**) Conducted a nationwide survey of 17,050 persons\* aged 20 years and older (November 2 - November 30, 2017, Nielsen Korea).

\*11,000 members of general people and 6,050 policy customers

- (**Communication satisfaction**) Conducted a nationwide survey of 1,200 persons aged 20 years and older (November 6 - November 24, 2017, World Research).

- **Combined survey results** for each task and assigned scores to each ministry.

☐ **Evaluation indicators** (10 points)

Evaluation items		Evaluation indicators	Point allocation
<b>Policy satisfaction</b>	Democracy	· Collection of public inputs in the process of process formulation and implementation	5
	Aggressiveness	· An agency's efforts to achieve policy goals	
	Responsiveness	· Appropriateness of responses to contingencies and problems arising in the process of implementation of policies	
	Effectiveness	· Outcomes generated through the implementation of policies	
	Perceived satisfaction	· Overall satisfaction with policy tasks	
<b>Communication satisfaction</b>	Policy communication program	· Awareness of policy communication programs and exposure frequency	5
		· Appropriateness of policy communication programs	
	Policy communication impact	· Policy communication satisfaction	
		· Acceptance of policies	

## 2

## Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Justice, Ministry of Health and Welfare, Ministry of Environment, Ministry of Employment and Labor, Ministry of Land, Infrastructure and Transport, Anti-Corruption & Civil Rights Commission	National Police Agency, National Fire Agency, Rural Development Administration, Korea Forest Service, Korea Meteorological Administration, Korea Coast Guard
<b>Average</b>	Ministry of Economy and Finance, Ministry of Education, Ministry of Foreign Affairs, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Gender Equality and Family, Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission	Ministry of Government Legislation, Korea Food & Drug Administration, National Tax Service, Korea Customs Service, Statistics Korea, Military Manpower Administration, Cultural Heritage Administration, Korean Intellectual Property Office, National Agency for Administrative City Construction, Nuclear Safety and Security Commission
<b>Poor</b>	Ministry of Science and ICT, Ministry of Unification, Ministry of Oceans and Fisheries, Financial Services Commission	Ministry of Personnel Management, Public Procurement Service, Defense Acquisition Program Administration, Saemangeum Development and Investment Agency

### ☐ Survey results

- The rating for **policy satisfaction** was **4.63** points on a 7-point scale, which is **above the “neutral” level** of 4 points.
- The level of satisfaction with policies on **healthcare, welfare, and housing was high**, while that on **SMEs, culture, and education was low**.
  - ※ Tasks with high satisfaction (points): Reduction in deductibles for health insurance and free vaccination (5.28); Ensuring health and dignity in late life (5.18); and Housing security for the working class (5.02)
  - Tasks with low satisfaction (points): Strengthening support for creative activities and welfare for artists (4.11); Resolving manpower shortages at SMEs by narrowing wage gaps between large companies and SMEs (4.20); and Classroom teaching innovation for improvement in public education (4.26)
- The rating for **communication satisfaction** was **60.7** points on a 100-point scale, which is **above the “neutral” level** of 50 points.
- While the level of satisfaction with **healthcare and safety areas was higher than the average** (60.7 points), that with **inter-Korean relations and the defense industry was low**.<sup>\*</sup>
  - \* Respondents answered that they are not well aware of public communication activities for those policies.
  - ※ Tasks with high satisfaction (points): Improving benefit coverage of health insurance (66.96); and enhancing response system for earthquake (65.91)
  - Tasks with low satisfaction (points): Establishing a peaceful and prosperous Korean Peninsula (56.55); and development of the defense industry (56.92)

### ☐ Improvements and complementary measures

- **Make efforts to resolve dissatisfaction factors of the policies with low satisfaction by improving on-site communication and implementing customized policies.**
- **Continue efforts to communicate policies with the public through various means in order for the public to fully recognize policies.**



**(1) Policy satisfaction**

- ☐ **The average rating of 23 ministerial-level agencies for policy satisfaction was 4.62 points on a 7-point scale, which is above the “neutral” level of 4 points.**

- **Respondents rated highly the agencies’ efforts to implement policies on healthcare, welfare, housing, and veterans affairs.\***

\* Tasks including reduction of deductibles in health insurance and free vaccination (Ministry of Health & Welfare, 5.28); expansion of housing welfare by supplying public rental housing (Ministry of Land, Infrastructure and Transport, 5.02); and improvement of compensation and promotion of honorable treatment for persons of distinguished services to the nation (Ministry of Patriots and Veterans Affairs, 4.76)

- **The level of satisfaction with the outcomes of policies on welfare programs for artists, support for SMEs, college entrance exam system,\* etc. was low.**

\* Tasks including improvement of support for creative activities and welfare for artists (Ministry of Culture, Sports and Tourism, 4.11); resolution of manpower shortages at SMEs (Ministry of SMEs and Startups, 4.20); and public education innovation through reorganization of curricula and improvement of the college admission system (Ministry of Education, 4.26)

- ☐ **The average rating of 20 vice-ministerial-level agencies for policy satisfaction was 4.65 points on a 7-point scale, which is above the “neutral” level of 4 points.**

- **Respondents rated highly the field-based efforts to implement policies on forest recreation, public safety, and preventive measures for earthquake disasters.\***

\* Tasks including forest education and forest recreation (Korea Forest Service, 4.88); reduction of types of crime that undermine people's livelihoods; protection of the socially disadvantaged (National Police Agency, 4.84); and improvement of the information system to prevent meteorological and earthquake disasters (Korea Meteorological Administration, 4.83)

- **The level of satisfaction with the outcomes of policies on personnel management for public officials, the defense industry, and patent and trademark management,\* etc. was low.**

\* Tasks including improvement of the disciplinary system for high-ranking officials and public servants (Ministry of Personnel Management, 4.40); establishment of the Korean three-axis system to improve defense capabilities (Defense Acquisition Program Administration, 4.48); and rendering intellectual property services such as patent and design approval (Korean Intellectual Property Office, 4.50)

## **(2) Communication satisfaction**

- **The average rating of 23 ministerial-level agencies was 61.38 points on a 100-point scale, which is above the “neutral” level of 50 points.**

- **Respondents rated highly the government efforts to communicate policies on health insurance, prosecution reform, and public education for preschoolers.\***

\* Tasks including improvement of benefit coverage of health insurance (Ministry of Health & Welfare, 66.96); prosecution reform (Ministry of Justice, 65.27); and expansion of national responsibility for education for preschoolers (Ministry of Education, 64.78)

- The level of satisfaction with the efforts to communicate policies **on inter-Korean relations, prevention of cyberattacks, financial services for the working class,\* etc. was low.**

\* Tasks including establishment of a peaceful and prosperous Korean Peninsula (Ministry of Unification, 56.55); healthy development of the media (Korea Communications Commission, 57.63); and expansion of support for property formation and financial services for the working class (Financial Services Commission, 58.19)

- **The average rating of 20 ministerial-level agencies was 59.98 points** on a 100-point scale, which is **above the “neutral” level** of 50 points.

- **Respondents rated highly utilization of information on the earthquake response system, public safety, and eradication of illegal fishing by foreign fishing boats.\***

\* Tasks including improvement of the monitoring and response system for earthquake and tsunami (Korea Meteorological Administration, 65.91); improvement of policing capabilities and protection of the socially disadvantaged (National Police Agency, 65.11); and protection of sovereignty over territorial waters (Korea Coast Guard, 61.69)

- The effect of communication of policies on improvement of personnel management of public officials, public procurement, and the administrative report system\* was rated as low.

\* Tasks including public participatory personnel management system through public recommendation of public officials (Ministry of Personnel Management, 55.97); rationalization of the administrative report system (Ministry of Government Legislation, 56.41); and launching of *Venture Nara*, an online mall for startups and venture businesses (Public Procurement Service, 56.52)

## 6. Evaluation of Matters Applicable to All Agencies

### 1 Issue Management

#### A. Evaluation overview

##### ☐ Evaluation goal

- Evaluate status and performance of each agency's execution of Presidential Directives and feed the evaluation results back to the agency concerned to better execute directives and generate tangible outcomes.

##### ☐ Targets of evaluation

- (Target directive) **Presidential Directives** issued since the inauguration of the new administration for **which implementation plans have been formulated by each agency concerned** (192 directives for each agency)
- (Target agency) **43 central administrative agencies**

##### ☐ Evaluation methods

- Granted **merits and demerits of 3 points** for each directive and calculate the arithmetic mean for each agency.

##### ☐ Evaluation indicators (±3 points)

Evaluation items	Evaluation indicators	Evaluation method	Point allocation (±3)
Appropriateness of plans	· Compliance with the purpose of a directive; substantive content of the plan, etc.	Qualitative	0~3
Execution of plans	· Achievement of goals proposed by the implementation plan	Quantitative Qualitative	(-)2~0
System utilization	· Registration of plans and actual outputs in the system by due dates	Quantitative	(-)1~0

## B. Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Environment	Ministry of Personnel Management, Ministry of Government Legislation, Korea Food & Drug Administration, Korea Customs Service, Statistics Korea, National Police Agency, Korea Forest Service
<b>Average</b>	Ministry of Education, Ministry of Foreign Affairs, Ministry of Justice, Ministry of National Defense, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission, Anti-Corruption & Civil Rights Commission	National Tax Service, Public Procurement Service, Military Manpower Administration, Cultural Heritage Administration, Rural Development Administration, Korean Intellectual Property Office, Korea Meteorological Administration, National Agency for Administrative City Construction, Saemangeum Development and Investment Agency, Korea Coast Guard, Nuclear Safety and Security Commission
<b>Poor</b>	Ministry of Unification, Ministry of Health and Welfare	Defense Acquisition Program Administration, National Fire Agency

## C. General review

### ☐ Key outcomes

- **Implemented Presidential Directives as planned and produced outcomes of state administration.**
  - Quickly established in officialdom a new governing philosophy that is oriented towards **'a nation of the people, a just Republic of Korea.'**
  - \* △The government acknowledged its responsibility for the humidifier disinfectant incident and devised measures to support the victims. △ The deaths of teachers under fixed-term contracts in the Sewol ferry disaster were recognized as deaths in the line of duty through a fast track process
  - **Rapidly and aggressively responded to public safety<sup>\*</sup> and major social issues<sup>\*\*</sup> government-wide.**
  - \* Devised the comprehensive quarantine measures against avian influenza, the measures to prevent drowsy driving by commercial vehicle drivers, etc.
  - \*\* Eradication of irregularities in personnel management and recruitment at public institutions, eradication of abuse of power by high-ranking officers in the military against 'housekeeping soldiers' posted at their residences, etc.
- **Facilitated each agency's implementation of directives through improvement of the Presidential Directive management mechanism.**
  - Increased the interest and aggressiveness in implementation of directives by **incorporating it into the government performance evaluation for 2017<sup>\*</sup> and establishing the communication-based directive management mechanism.<sup>\*\*</sup>**
  - \* Evaluated 43 central administrative agencies in terms of appropriateness of plans, execution of plans, etc.
  - \*\* All persons concerned were allowed to confirm and add inputs to plans and progress reports of implementation for each directive on an as-needed basis.

### ☐ Improvements and complimentary measures

- **Improve each agency's management of implementation of directives.**
  - Need to manage Presidential Directives **as closely and thoroughly as policy tasks** so as to implement them as planned and produce tangible outcomes.
- **Bolster inter-ministerial collaboration for directives involving multiple ministries.**
  - **Devise comprehensive and structured action plans from a government-wide perspective under the leadership of a lead agency and implement the plans responsibly.**

## D. Evaluation results by area

### (1) Improvement of transparency and accountability of state administration

#### Key policy outcomes

- ☐ **Established the new governing philosophy<sup>\*</sup> in the early phase of the new administration and contributed toward improving transparency and accountability of state administration.**

<sup>\*</sup> (National vision) “A Nation of the People, a Just Republic of Korea”

<sup>\*</sup> (Governance goals) A government of the people; A nation taking responsibility for each individual, etc.

- ☐ **Proposed public participatory solutions<sup>\*</sup> to controversial issues in the course of building public consensus on Shin Kori Nuclear Power Plant units 5 and 6.**

<sup>\*</sup> A panel of 471 members of the general public recommended after deliberation that the government resume the construction of Shin Kori Nuclear Power Plant units 5 and 6.

- ☐ **Acknowledged the government’s responsibility<sup>\*</sup> for the humidifier disinfectant incident and devised measures<sup>\*\*</sup> to support the victims**

<sup>\*</sup> The President directly met the victims of the humidifier disinfectant incident, acknowledged the government’s responsibility, and offered his apologies (August).

<sup>\*\*</sup> The scope of recognized damage was expanded to include fetal damage and asthma as well as lung damage, and 415 victims (at stages 1 and 2) became eligible to receive government support. Special relief accounts were established to support victims at stages 3 and 4 and bankrupt companies.

- Completed the **fast track process for recognition of the deaths of teachers under fixed-term contracts in the Sewol ferry disaster as deaths in the line of duty.**
- \* Rapid amendment to the Public Officials Pension Act, etc. through consultations among applicable ministries including the Office for Government Policy Coordination, the Ministry of Education, the Ministry of Personnel Management, and the Ministry of Patriots and Veterans Affairs.  
--> Pensions being paid retroactively since September 2017 for the Sewol ferry disaster

## Challenges

- ☐ The draft bill of the **Public Officials' Accident Compensation Act** needs to pass the National Assembly quickly to recognize deaths of non-regular officials in the performance of official affairs as **deaths in the line of duty** in order to more strongly uphold accountability of state administration.

## Improvement approach

- ☐ Press harder for the passage of bills required to implement **Presidential Directives** including the Public Officials' Accident Compensation Act and **devise complementary measures to handle the delays in the passage.**



## (2) Ensuring the public safety

### Key policy outcomes

- **Management of state affairs with top priority on safety and lives of the people**
  - Instituted the **fundamental preventive quarantine system by devising the comprehensive quarantine measures against avian influenza\*** (September 7).
    - \* △Establishing the preventive quarantine system △ Structural innovation in the poultry industry by promoting breeding of more disease-resistant poultry △ Improving risk management through science and technology △ Supporting local governments and farmers in their autonomous and responsible quarantine efforts
  - **Executed the measures to prevent drowsy driving by commercial vehicle drivers\*** (July 28) to prevent more traffic accidents.
    - \* △Improving drivers' working conditions (extending break time for metropolitan bus drivers, etc.) △Expanding installation of high-tech safety devices (e.g. auto emergency braking) △Creating a safe driving environment (e.g. investigation into transportation companies)
  - Devised the **comprehensive measures to manage fine dust** through inter-ministerial collaboration (September 26) to **improve the quality of life and protect the right to health.**
    - \* △ Reducing emissions primarily from major emission sources such as coal-fired thermal power plants △ Strengthening environmental cooperation with neighboring countries (e.g. China) △ Increasing protection for susceptible segments of the population △ Reducing fine dust by at least 30% by 2022 through reinforced fundamentals for scientific researches

## Challenges

- ☐ Despite Presidential Directives to overhaul the national crisis management system and disaster management systems, **emergence responses are still inadequate and similar accidents continue to occur.**\*

\* A fishing boat capsized in the sea off Yeongheungdo Island; tower cranes in Yongin and Pyeongtaek collapsed; and a major fire broke out in Jecheon.

## Improvement approach

- ☐ Conduct thorough **fact-finding investigations into major incidents and accidents**, formulate reliable countermeasures to **prevent recurrences**, and **improve execution in the field**\* so as to establish a safer society.

\* Joint meetings with ministries concerned and civilian experts, on-site investigations, etc.

### (3) Rapid and aggressive response to major issues

#### Key policy outcomes

#### ☐ Government-wide investigations and measures on national issues

- Conducted a full probe into personnel management and recruitment irregularities at public institutions\* and devised countermeasures thereagainst to establish the fundamentals for a fair society and fair competition.

\* Investigations into all of 330 public institutions (October 16 – end of December) and installation and operation of a recruitment irregularities report center

- Devised radical measures\* to effectively prevent abuse of authority (so-called '*gapjil*') after investigations into all ministries considering public concerns and criticism over the incident involving a high-ranking military officer's abuse of power against his 'housekeeping soldier.'

\* Abolishing the system for posting of enlisted military personnel as housekeepers (210 persons), golf and tennis teachers (56 persons), drivers (361 persons), etc.

#### ☐ Tangible measures to resolve long-standing tasks

- Rendered the Ministry of Justice more independent from and less influenced by the prosecution and pushed for reform of the prosecution.\*

\* Reorganizing the Ministry of Justice in such a way to allow ordinary public officials to be appointed to 42 positions previously filled only by prosecutors; reducing the number of incumbent chief public prosecutors from 48 to 43 and reducing their staffing ceiling from 49 posts to 48, etc.

## Challenges

- **Lack of close inter-ministerial collaboration in implementation of some of the directives involving multiple ministries** slowed down the implementation of directives and imposed constraints on generation of their tangible outcomes.

► Lack of close inter- and intra-ministerial collaboration in the process of formulating the “measures to protect various childbirths including those out of wedlock” resulted in formulation of fragmentary plans lacking a holistic perspective (e.g. prevention of artificial abortion).

## Improvement approach

- Devise a government-wide **comprehensive and structured action plan** for the directive on unmarried mothers and hold a lead agency **accountable for its implementation**.

## 2 Conflict Management

### A. Evaluation overview

#### ☐ Evaluation goal

- **Encourage agencies' interest in and efforts for conflict management and resolve and prevent public conflicts by conducting reviews and evaluations of public conflict management practices.**

#### ☐ Targets of evaluation

- 43 central administrative agencies

#### ☐ Evaluation methods

- **Formed the private and public joint evaluation division.**
  - Broke the division down into four ministerial-level and vice-ministerial-level subdivisions (Economy 1 and 2, Social Services 1 and 2) according to the nature of agencies.

#### ☐ Evaluation indicators (±3 points)

Evaluation items	Evaluation indicators
Controversial task management (40%)	• Efforts to carry out communications to resolve controversial tasks
	• Efforts to resolve conflicts by means of a consultative body for state affairs
	• Creative utilization of participatory decision-making, etc.
Conflict management mechanism operation (30%)	• Organization of the Conflict Mediation Council and outputs of its operation
	• Development of a conflict impact analysis report and its outputs
	• Organization of the Conflict Management Deliberation Committee and outputs of its operation
Outcomes of conflict management (30%)	• Degree and outcomes of conflict reduction and resolution

## B. Evaluation rating

\* Agencies are indicated in order of office organization

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Education, Ministry of National Defense, Ministry of Agriculture, Food and Rural Affairs, Ministry of Environment, Ministry of Employment and Labor, Ministry of Land, Infrastructure and Transport	Ministry of Personnel Management, Korea Food & Drug Administration, Public Procurement Service, National Police Agency, Rural Development Administration, Saemangeum Development and Investment Agency
<b>Average</b>	Ministry of Economy and Finance, Ministry of Foreign Affairs, Ministry of Unification, Ministry of Justice, Ministry of Culture, Sports and Tourism, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Gender Equality and Family, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Anti-Corruption & Civil Rights Commission	Ministry of Government Legislation, Korea Customs Service, Statistics Korea, Military Manpower Administration, Defense Acquisition Program Administration, Cultural Heritage Administration, Korea Forest Service, Korean Intellectual Property Office, Korea Meteorological Administration, National Agency for Administrative City Construction, Korea Coast Guard
<b>Poor</b>	Ministry of Science and ICT, Ministry of the Interior and Safety, Financial Services Commission	National Tax Service, National Fire Agency, Nuclear Safety and Security Commission

## C. General review

### ☐ Key outcomes

- **(Task management)** Of 25 controversial tasks requiring intensive management, 16 tasks were resolved or progress was made thereon owing to serious efforts by agencies to manage conflicts since the inauguration of the new administration.

※ Besides the tasks requiring intensive management, tasks managed by each agency also made substantial progress.

(Taxation of clergy, expansion of the scope of chemical substances subject to registration, establishment of a unification cultural center, etc.)

**(Resolved)** Six tasks including re-examination of the issue of Shin Kori Nuclear Power Plant units 5 and 6; amendment to anti-corruption legislation; withdrawal of the government's request for indemnity against Gangjeong Village, Jeju Island; relocation of the off-track betting center in Yongsan; and commencement of KTX high-speed train service through Muan International Airport

**(Progress made)** Ten tasks including sea sand mining in the exclusive economic zone (EEZ), memorial project for the Sewol Ferry, resolution of educational issues on the national college entrance exam and independent private high schools, improvement of employment conditions for non-regular workers, and opening of dam gates on the four major rivers

- **Resolved conflicts by applying a variety of social consensus mechanisms based on public participation** as demonstrated in the **consensus-building process (Shin Kori)**, **execution of an MOU (Yongsan off-track betting center)**, **court mediation (indemnity against Jeju)**, etc.
- **Created momentum for conflict resolution through discussions by consultative bodies for state affairs<sup>\*</sup> and on-site visits by ministers and vice ministers.<sup>\*\*</sup>**

<sup>\*</sup> 54 meetings of consultative bodies including national issue coordination meetings (19 times) and conflict management policy consultation meetings

<sup>\*\*</sup> 80 visits on matters including taxation of clergy (Ministry of Economy and Finance, 9 times), the Sewol Ferry (Ministry of Oceans and Fisheries, 6 times), and educational issues (Ministry of Education, 5 times)

- **(System management)** Each ministry increasingly utilized its conflict management mechanisms to resolve conflicts through **consultative bodies** and **conflict impact analysis**.

\* Conflict Management Deliberation Committee: (2016) 15 ministries → (2017) 41 ministries

\* Conflict Coordination Council (for tasks requiring intensive management): (2016) 45.7% (16/35 ministries) → (2017) 84% (21/25 ministries)

\* Conflict impact analysis (for tasks requiring intensive management): (2016) 57.1% (20/35 ministries) → (2017) 88% (22/25 ministries)

- ※ Newly incorporating conflict management into **government performance evaluation** led ministries to attempt conflict management, which had been lacking, and to produce intended outcomes.

#### ☐ Improvements and complementary measures

- **(Task management)** More proactively handle controversial tasks by identifying conflict factors from the **policy-making stage** and **make greater efforts to resolve persistent conflicts through creative solutions**.
- **(System management)** Improve the effectiveness and utilization of the Conflict Management Deliberation Committee and conflict impact analysis and reinforce incentives for conflict management efforts and outcomes.



## D. Evaluation results by area

### (1) Management of controversial tasks

#### Key policy outcomes

#### ☐ Improvement of acceptance of policy decisions through the application of various social consensus models

- **Shin Kori Nuclear Power Plant units 5 and 6 (consensus-building):** Formed a committee to gather public opinion (July 2017) and conducted a deliberative poll based on the participation and deliberation of the general public (August to October 2017) to reconcile the acute conflicts in the energy area.
- **Yongsan off-track betting center (execution of an MOU):** Formed a stakeholder consultative body including oppositions groups (regional mutual prosperity council, March – September 2017) and sought a compromise by signing an MOU (August 2017) to relocate the Yongsan off-track betting center .
- **Indemnity against Gangjeong Village, Jeju (court mediation):** Formed and appointed members of a committee to support mutual prosperity and unity between civilians and the military (July 2017) and paid an on-site visit (by vice minister, August 2017) to resolve conflicts and accepted the court's official mediation proposal (December 2017).

#### ☐ Intensive discussion and coordination through consultative bodies for state affairs

- **National issue coordination meetings:** Held the meetings 19 times to deal with conflicts over matters such as labor issues including improvement of employment conditions for non-regular workers (Ministry of Employment and Labor); educational issues including revision of the national college entrance exam and abolishment of independent private high schools (Ministry of Education); sea sand mining in the EEZ (Ministry of Land, Infrastructure and Transport and Ministry of Oceans and Fisheries), etc.

- ☐ **On-site communication to resolve conflicts through ministerial- and vice-ministerial-level on-site visits** (80 times)

- **Taxation of clergy** (Deputy Prime Minister for Economic Affairs, 9 times): Visited leaders of seven religious bodies (nine religious orders) including the Jogye Order Korean Buddhism (August 2017), the Catholic Bishops Conference of Korea (August 2017), the Christian Council of Korea (September 2017), and Confucianism (October 2017).
- **Educational issues** (Deputy Prime Minister for Social Affairs, 5 times): Visited geographical school districts to hear the views of students' parents (July 2017, revision of national college entrance exam), Hankuk Woojin School (September 2017, for establishment of a special school), Hanseo High School (November 2017, high school credit system), etc.

## Challenges

- ☐ Tendency to focus on **responding to issues after conflicts arise** instead of preventing conflicts
- ☐ Insufficient efforts to proactively resolve conflicts by such means as **reviewing alternatives to prolonged and highly controversial issues**

## Improvement approach

- ☐ **Strengthen efforts to proactively respond** by identifying causes of conflict before conflicts erupt through collection of opinions of stakeholders from the **policy-making stage** and closely monitor situations.
- ☐ Exert more aggressive conflict management efforts by providing creative alternatives to prolonged **conflicts** through **consultation with civilian experts and more active on-site communications**.

## (2) Conflict management system

### Key policy outcomes

- ☐ **(Conflict Management Deliberation Committee<sup>\*</sup>)** (2016) 15 ministries  
→ **(2017) 41 ministries**

\* A body for overall management of controversial tasks and the conflict management system

- (Best practices: Ministry of Land, Infrastructure and Transport) Systematically operated the committee after separating it into a plenary meeting and area-specific committees (land, transport), drawing up conflict impact analysis reports, installing the Conflict Coordination Council, etc.

- ☐ **(Conflict Coordination Council<sup>\*</sup>)** (2016) 45.7% (16/35 ministries) → **(2017) 84%** (21/25 ministries)

\* A consultative body including civilian stakeholders that discusses and coordinates handling of controversial issues (for tasks requiring intensive management)

- (Best practices: Ministry of Food and Drug Safety) With respect to mandatory reports of handling of narcotics for medical treatment, the Conflict Coordination Council with the participation of nine expert groups including the Korea Pharmaceutical Association was broken down into seven groups which carried out consultations 17 times and prevented conflicts.

- ☐ **(Conflict impact analysis<sup>\*</sup>)** (2016) 57.1% (20/35 ministries) → **(2017) 88%** (22/25 ministries)

\* Pre-analysis data for conflict factors (subject matters, conflicting entities, etc.) to devise conflict management plans (for tasks requiring intensive management)

- (Best practices: Ministry of National Defense) Conflict impact was analyzed for all projects relating to relocation of air force bases, and conflict impact analysis reports were formulated for each of the involved regions such as Daegu and Suwon.

## Challenges

- ☐ **(Conflict Management Deliberation Committee)** Although the number of ministries that established the committee has sharply increased, **some ministries operated the committee perfunctorily** and only convened meetings one or two times a year or conducted committee affairs only by written correspondence.
- ☐ **(Conflict impact analysis)** Some ministries misunderstood conflict impact analysis to be merely **collection of opinions in the policy-making process**.
- ☐ **(Incentive)** Lack of incentives for conflict management performance **weakened the impetus**.

## Improvement approach

- ☐ **(Conflict Management Deliberation Committee)** Strengthen the **role of the committee as a control tower** by ensuring that each ministry uses its committee for selection of controversial tasks and formulation of conflict management plans.
- ☐ **(Conflict impact analysis)** **Raise ministries' understanding and utilization** of conflict impact analysis through consultation with **conflict management experts** and **provision of training for persons in charge**.
- ☐ **(Incentive)** Devise plans to motivate ministries to carry out conflict management by such means as **incorporating conflict management performance into granting of incentives and personnel performance rating**.

## A. Evaluation overview

### ☐ Evaluation goal

- Raise central administrative agencies' acceptance of recommendations made by the National Human Rights Commission of Korea (NHRC) and encourage them to voluntarily make efforts to protect human rights.

### ☐ Targets of evaluation

- 43 central administrative agencies

### ☐ Evaluation methods

- **Implementation of recommendations** made by the NHRC from July to December 2017
- **Other human rights protection efforts**
  - ※ Other human rights protection efforts included those from January to July 2017.

### ☐ Evaluation indicators (±2 points)

Evaluation items	Evaluation indicators
<b>Recommendation implementation (70%)</b>	• Submission of implementation plans in reply to recommendations (within the mandatory period)
	• Overdue reply (mandatory period of 90 days) (demerits imposed per month delayed)
	• Faithfulness in implementation of recommendation
	• Difficulty in implementation of recommendation
<b>Other human rights protection efforts (30%)</b>	• Quality of human rights protection reports submitted by a target agency ※ For an agency that did not receive any recommendations during the target period, give a full mark (2 points) for its "other human rights protection efforts" item.

## B. Evaluation rating

\* Agencies are indicated in order of office organization

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Education, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Employment and Labor, Ministry of Gender Equality and Family	Ministry of Personnel Management, Military Manpower Administration, National Police Agency, Cultural Heritage Administration, Rural Development Administration, National Agency for Administrative City Construction
<b>Average</b>	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of Foreign Affairs, Ministry of Unification, Ministry of Justice, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Environment, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Financial Services Commission, Anti-Corruption & Civil Rights Commission	Ministry of Government Legislation, Korea Food & Drug Administration, National Tax Service, Korea Customs Service, Public Procurement Service, Statistics Korea, National Fire Agency, Korean Intellectual Property Office, Saemangeum Development and Investment Agency, Korea Coast Guard
<b>Poor</b>	Ministry of SMEs and Startups, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission	Defense Acquisition Program Administration, Korea Forest Service, Korea Meteorological Administration, Nuclear Safety and Security Commission

## C. General review

### ☐ Key outcomes

- **(Recommendation implementation) Improved fulfillment of compulsory reply to and acceptance of NHRC recommendations and increased interest of agencies in the recommendations.**
  - Nine agencies submitted implementation plans in reply to and accepted all 36 recommendations made to them (100%) from July to December 2017.
  - \* The average reply and acceptance rates for the last five years were 75% and 87%, respectively.
  - Re-examined recommendations that agencies would not accept and **aggressively reviewed** alternatives and complementary measures in order to **maximize acceptance of NHRC recommendations.**
- **(Other human rights protection efforts) Laid the groundwork for raising awareness of human rights by such means as examining human rights protection practices** and providing a wider range of education on human rights.
  - **Made efforts to raise awareness of human rights** by adding “protection and promotion of human rights” to agencies’ major project goals and **expanding education programs on human rights within agencies.**
  - **Actively reviewed and accepted NHRC opinions** that agencies are not obliged to implement.
  - \* Accepted an opinion to guarantee the right to external transportation at shelters for foreigners (Ministry of Justice), accepted an opinion to re-examine an injury in the military if it was incurred by an accident in the line of duty (Ministry of National Defense), etc.

### ☐ Improvements and complementary measures

- **Review and manage the recommendation implementation process on an ongoing basis to ensure that they are implemented as intended.**
- **Step up efforts to discover human rights blind spots in various areas and discover tasks necessary to improve human rights protection.**
- **Create a culture of respect for human rights and improve systems to prevent and tackle human rights violations and discriminatory acts within agencies.**

## D. Evaluation results by area

### (1) Implementation of recommendations

#### Key policy outcomes

- ☐ **Improvement in percentages of mandatory replies to and acceptance of recommendations**
  - Agencies' acceptance of recommendations increased, as indicated by 9 agencies **submitting implementation plans within the mandatory period in reply to and accepting** (including a partial acceptance of one recommendation) **all 36 recommendations (100%)** made from July to December 2017.\*
  - \* The average reply and acceptance rates for the last five years were 75% and 87%, respectively (90% for petition-related recommendations and 84% for policy-related recommendations).
- ☐ **Increased agencies' interest in NHRC recommendations**
  - **Agencies actively reviewed NHRC recommendations** through re-examination into non-acceptance cases and discussion on alternatives and complimentary measures.\*
  - \* Holding a working-level policy coordination meeting (chaired by a vice minister) for reviews of partial acceptance of a recommendation (Ministry of Employment and Labor)
  - Agencies strived to voluntarily rectify **human rights issues** by **proactively responding** to them.\*
  - \* Collecting opinions and consulting experts about human rights (Ministry of Land, Infrastructure and Transport)



## Challenges

- ☐ **Gap between acceptance of recommendations and actual implementation**
  - Where recommendations or recommendation implementation procedures are complicated, they are **not carried out according to the original intents of recommendations** or their **implementation is delayed**.<sup>\*</sup>
- <sup>\*</sup> Implementation plans for mobility rights of the disabled were not actually executed until one year after the agency concerned submitted the implementation plans.

## Improvement approach

- ☐ **Encouragement of voluntary examination of recommendation implementation results**
  - Each agency needs to put its system in place to manage and examine whether implementation plans are carried out in compliance with the intents of recommendations.

## (2) Other human rights protection efforts

### Key policy outcomes

- ☐ **Increase in agencies' awareness of human rights**
  - Agencies examined and confirmed<sup>\*</sup> **human rights protection in handling their responsibilities** concerning the socially disadvantaged and minorities.

\* Discovered and tackled human rights violations against foreign and immigrant seamen (Ministry of Oceans and Fisheries)

- The government **endeavored to raise agencies' awareness of human rights\*** by **expanding education programs on human rights** within agencies and adding “protection and promotion of human rights” to agencies' major project goals.

\* Included the access rights of the disabled and the elderly in a policy to uphold information accessibility as a basic right (Ministry of Science and ICT); periodically administered education on human rights to counties in consideration of their characteristics (Ministry of National Defense), etc.

#### ☐ **Increase in interest in major human rights agenda**

- **Actively reviewed and accepted NHRC opinions** that agencies are not obliged to obey.\*

\* Accepted an opinion to guarantee the right to external transportation at shelters for foreigners (Ministry of Justice); accepted an opinion to re-examine an injury in the military if it was incurred by an accident in the line of duty (Ministry of National Defense), etc.

- **Discovered tasks necessary to address major human rights issues** including cultural rights and sought to incorporate them into the National Action Plan for the Human Rights.\*

\* Made major efforts to incorporate cultural rights into the National Action Plan for the Human Rights (Ministry of Culture, Sports and Tourism).

#### **※ Best practices for efforts to improve human rights protection (Rural Development Administration)**

- Actively implemented and publicized gender impact analysis to raise awareness of and realize gender equality in the agency's projects such as the rural household management improvement project and overseas agricultural technology development project.

## Challenges

- ☐ **Lack of efforts to discover tasks to promote human rights in an agency's affairs**
  - Agencies tend to have a **mistaken perception that human rights violations occur in certain areas** such as interrogation by law enforcement agencies and employment, which led to their lack of interest in **discovery of tasks relating to human rights** in other areas.\*

\*Low interest in a variety of aspects of human rights besides education on anti-corruption, etc.

- ☐ **Inadequate handling of major human rights violations within agencies**
  - **Active and focused measures are lacking,**\* such as job training and system improvement, in response to **requests for resolution of human rights violations** such as sexual harassment **that have been repeatedly made inside and outside agencies.**

\* Lack of effective measures, besides compulsory education, taken against abuse of authority and sexual harassment among members of an agency; inadequate handling of human rights violation issues repeatedly raised in the process of administrative execution, etc.

## Improvement approach

- ☐ **Improvement of efforts to discover and examine agencies' affairs where human rights protection needs to be improved**

- Need to **aggressively discover tasks relating to human rights protection** from broader perspectives by examining **whether individual rights are protected in projects implemented by agencies** and the socially disadvantaged can readily access relevant information.
  
- ☐ **Creation of a culture of respect for human rights and improvement of systems**
  
- **Examine and manage human rights blind spots inside an agency** and **administer more substantive education on human rights** so as to prevent human rights violations and discriminatory practices.

## A. Evaluation overview

- ☐ **(Evaluation goal)** Increase agencies' compliance with national programs such as **programs for those requiring special consideration** by evaluating the outputs of their execution of the programs.
- ☐ **(Targets of evaluation)** **43** central administrative agencies (23 ministerial-level agencies, 20 vice-ministerial-level agencies)
- ☐ **(Evaluation methods)** Conducted quantitative and objective evaluations of agencies' outputs based on statutory standards.\*

\* The Employment Promotion and Vocational Rehabilitation of Disabled Persons Act, the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets, and the Special Act on the Preferential Purchase of Products Manufactured by Persons with Severe Disabilities

- ☐ **Evaluation indicators** (±2 points)

Evaluation items	Evaluation indicators	Point allocation
Employment of the disabled (Ministry of Employment and Labor)	· Merits and demerits based on statutory employment rate (3.2%)	±0.6
Procurement of products made by the severely disabled (Ministry of Health & Welfare)	· Merits and demerits based on statutory procurement rate (1%)	±0.6
Procurement of products made by SMEs (Ministry of SMEs and Startups)	· Merits and demerits based on statutory procurement rate (50%)	±0.6
Procurement of newly-developed high-tech products (Ministry of SMEs and Startups)	· Merits and demerits based on statutory procurement rate (10%)	±0.2

## B. Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
Good	Ministry of Justice, Ministry of Employment and Labor, Ministry of Gender Equality and Family, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission	Ministry of Personnel Management, National Tax Service, Korea Customs Service Public Procurement Service, Cultural Heritage Administration, Rural Development Administration
Average	Ministry of Science and ICT, Ministry of Unification, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Environment, Ministry of Land, Infrastructure and Transport, Ministry of Oceans and Fisheries, Ministry of SMEs and Startups, Financial Services Commission, Anti-Corruption & Civil Rights Commission	Ministry of Government Legislation, Korea Food & Drug Administration, Statistics Korea, Military Manpower Administration, National Police Agency, Korea Forest Service, Korean Intellectual Property Office, Korea Meteorological Administration, Saemangeum Development and Investment Agency, Nuclear Safety and Security Commission
Poor	Ministry of Economy and Finance, Ministry of Education, Ministry of Foreign Affairs, Ministry of National Defense	Defense Acquisition Program Administration, National Fire Agency, National Agency for Administrative City Construction, Korea Coast Guard

## C. General review

### ☐ Key outcomes

- **(Employment of the disabled)** The employment rate for the disabled exceeded the statutory rate for 2017, which had been adjusted upward from the previous year from 3.0% to 3.2%.<sup>\*</sup>
  - \* Employment rate for the disabled: (2015) 3.36% → (2016) 3.82% → (2017) **3.83%**
- **(Procurement of products made by the severely disabled)** The total amount of preferential procurements and the average procurement rate for all agencies increased year-on-year, and the number of agencies that met the statutory standards also increased.<sup>\*\*</sup>
  - \* Total amount of preferential procurements (average procurement rate): (2016) KRW 84.6 billion (1.34%) → (2017) KRW 88.3 billion (**1.49%**)
  - \*\* Number of agencies that met statutory standards: (2016) 31 (72.1%) → (2017) 32 (74.4%)
- **(Procurement of products made by SMEs and newly-developed high-tech products)** The average procurement rate for SMEs' products<sup>\*</sup> increased, and the average procurement rate for newly-developed high-tech products<sup>\*\*</sup> also increased compared to the preceding year.
  - \* Average procurement rate for SME products: (2016) 66.5% → (2017) **71.2%**
  - \*\* Average procurement rate for newly-developed high-tech products: (2016) 13.4% → (2017) **16.8%**

### ☐ Improvements and complimentary measures

- Despite the increase in the rate of procurement by all agencies of **products made by the severely disabled and newly-developed high-tech products, some agencies failed to meet the statutory standards.**
    - \* Procurement of products made by the severely disabled (statutory rate of 1%): 11 agencies failed to meet the statutory standard (25.6%).
    - \*\* Procurement of newly-developed high-tech products (statutory rate of 10%): 10 agencies failed to meet the statutory standard (23.3%).
- ⇒ Need to increase procurement rates by **improving systems to encourage public institutions to purchase more products concerned (Ministry of Health & Welfare), and by designating more agencies as exclusively responsible for newly-developed high-tech products newly-developed high-tech products (Ministry of SMEs and Startups).**

## 4. Evaluation results by area

### (1) Employment of the disabled (statutory employment rate of 3.2% or higher)

#### Key policy outcomes

- ☐ The employment rate for the disabled exceeded the statutory rate for 2017 (3.2%).<sup>\*</sup>

<sup>\*</sup> Employment rate for the disabled: (2015) 3.36% → (2016) 3.82% → (2017) 3.83%

- Agencies with higher employment rates of the disabled (4% or higher): 13 agencies including the Saemangeum Development and Investment Agency (5.51%), the Public Procurement Service(5.40%), the Ministry of Justice (5.21%), and the Ministry of Patriots and Veterans Affairs (5.20%)
  - ※ Agencies that improved their performance: The National Tax Service (up 1.57%p year-on-year) and the Ministry of Government Legislation (up 0.71%p year-on-year)

#### Challenges

- ☐ **Some agencies failed to meet the statutory employment rate<sup>\*</sup> and the employment rate of severely disabled<sup>\*\*</sup> was lower than that of the disabled as a whole.**

<sup>\*</sup> 8 agencies including the Ministry of Education (2.06%), the Ministry of National Defense (2.67%), the Defense Acquisition Program Administration (2.48%), and the National Agency for Administrative City Construction (2.70%)

<sup>\*\*</sup> The severely disabled as a percentage of the persons with disabilities who are employed is 15.96% (775 / 4,855 persons).



## Improvement approach

- Benchmark the best practices for performance improvement such as practices employed by the National Tax Service and increase the hiring rate through **job analysis, development of jobs suitable for people with disabilities, easing of qualifications, and improvement of hiring practices** (Ministry of Employment and Labor).
- Step up development of jobs for **people with severe disabilities to increase their employment.**

### (2) Procurement of products made by the severely disabled (statutory procurement rate of 1% or higher)

## Key policy outcomes

- The **total volume of preferential procurement and the average preferential procurement rate<sup>\*</sup>** of target agencies all **increased** compared to the previous year, and **the number of agencies that met the statutory requirements also increased.<sup>\*\*</sup>**

\* Total preferential procurement amount (average procurement rate):  
(2016) KRW 84.6 billion (1.34%) → (2017) KRW 88.3 billion (1.49%)

\*\* Number of agencies that achieved the statutory procurement rate:  
(2016) 31 (72.1%) → (2017) 32 (74.4%)

- Agencies that exceeded the statutory procurement rate: 32 agencies including the Saemangeum Development and Investment Agency (6.72%) and the Ministry of Gender Equality and Family (3.57%)

※ Agencies that improved their performance: 6 agencies\* including the Ministry of Education (0.97→1.20%), the Ministry of National Defense (0.91→1.13%), and the Ministry of Employment and Labor\* (0.93→1.80%)

\*They fell short of the statutory rate in 2016 but exceeded the rate in 2017.

## Challenges

- ☐ A considerable number of agencies **failed to achieve the statutory procurement rate<sup>\*</sup>** and **some agencies showed lower performance** compared to the preceding year.<sup>\*\*</sup>

\* Of 43 target agencies, 11 (25.6%) failed to meet the target.

\*\* There are 21 agencies showing lower performance including the Ministry of Government Legislation (1.52% difference) and the Nuclear Safety and Security Commission (0.96% difference).

## Improvement approach

- ☐ Continue efforts to increase the procurement rate by promoting public institutions' procurement through **improvement of systems,<sup>\*</sup> diversification of goods and services**, etc. (Ministry of Health & Welfare)

\* Improving systems by disclosing actual procurement of products manufactured by the severely disabled (Ministry of Health & Welfare; a revised bill passed by the Health and Welfare Committee of the National Assembly in December 2017)

### (3) Procurement of products made by SMEs (statutory procurement rate of 50% or higher)

## Key policy outcomes

- ☐ The average procurement rate of products made by SMEs (71.2%) was **considerably above the statutory rate (50%)**, and **most agencies hit the procurement rate target.<sup>\*</sup>**

- Of 43 agencies, 39 (90.7%) achieved the statutory rate.
    - ※ Two agencies including the Ministry of Foreign Affairs achieved their targets that had been separately determined through prior consultation because of their unique nature.
  - Some agencies<sup>\*</sup> attained a high procurement rate through effective procurement management by **reflecting the rate in their performance indicators, conducting periodic reviews, and video conferencing.**
- \* Six agencies achieved procurement rates of 85% or higher including the Rural Development Administration (91.8%) and the National Agency for Administrative City Construction (91.5%).

- (Rural Development Administration) Achieved a high procurement rate of 91.8% by formulating an annual procurement plan for products manufactured by SMEs at the beginning of the year, reviewing monthly outputs of the Administration and its attached organizations, and conducting video conference workshops with persons in charge.
- (National Agency for Administrative City Construction) Increased its procurement rate to 91.5% by reflecting the procurement rate in evaluations of its departments and directly purchasing construction materials on the back of surging construction projects.

## Challenges

- ☐ Although the central agencies' average procurement rate exceeds the statutory rate, it is slightly lower than the average procurement rate of 775 **public institutions** (73.7%).

## Improvement approach

- Improve the procurement rate of public institutions by **fully implementing systems\*** such as **disclosure of procurement targets and outputs**, monitoring the public procurement system at all times, and managing procurement outputs on an as-needed basis (Ministry of SMEs and Startups).

\* Reporting any non-performance of procurement targets and systems to the National Assembly

### (4) Procurement of newly-developed high-tech products (statutory procurement rate of 10% or higher)

## Key policy outcomes

- **The average procurement rate of newly-developed high-tech products (16.8%) was considerably above the statutory rate (10%), and the number of agencies that exceeded the statutory procurement rate was increasing** (31 → 33 agencies).

\* Procurement amount (rate) of newly-developed high-tech products: (2016) KRW 547 billion (13.4%) → (2017) KRW 668.6 (16.8%)

- Agencies that aggressively managed their outputs showed outstanding performances.\*

- Introduced periodically newly-developed high-tech products to their attached and affiliated organizations, set procurement targets, and administered education on public procurement.

\* There were 12 agencies that achieved procurement rates of at least 20%, including the Ministry of Education (40.8%), the Public Procurement Service (38.1%), and the Cultural Heritage Administration (37.4%).

- (Ministry of Education) Achieved a procurement rate of 40.8% by introducing new excellent products (NEP) to its affiliated organizations, encouraging them to ensure that NEPs account for at least 20% of the total items procured, and offering training to the accounting staff.
- (National Tax Service) Achieved a procurement rate of 33.76% through active performance management by such means as providing its attached organizations with monthly education on the statutory compulsory procurement system for newly-developed high-tech products and products of SMEs and collecting monthly outputs.

## Challenges

- ☐ Although **the average procurement rate increased** (13.4%→16.8%), 10 agencies **failed to meet the statutory procurement rate** and 20 agencies posted year-on-year **declines in their performance**.

## Improvement approach

- ☐ Improve the procurement rate by designating more dedicated agencies to purchase newly-developed high-tech products (Ministry of SMEs and Startups).



### **III. Comprehensive Evaluation by Agency**

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#### 1

#### Evaluation overview

- ☐ (**Evaluation goal**) Encourage each agency to further produce the outcomes of its state administration by combining all of its evaluation results for policy tasks, job creation, regulatory reform, policy communication, and public satisfaction and publicly announcing the results of its performance .
- ☐ (**Evaluation methods**) Added up all scores of policy tasks (50 points), job creation (20 points), regulatory reform (10 points), policy communication (10 points), and public satisfaction (10 points).
  - Give merits and demerits to issue management ( $\pm 3$  points), conflict management ( $\pm 3$  points), human rights protection ( $\pm 2$  points), and specific programs ( $\pm 2$  points).

## 2

## Evaluation rating

\* Agencies are indicated in order of office organization.

Classification	Ministerial-level agencies	Vice-ministerial-level agencies
<b>Good</b>	Ministry of Economy and Finance, Ministry of Science and ICT, Ministry of Trade, Industry and Energy, Ministry of Health and Welfare, Ministry of Employment and Labor, Ministry of Land, Infrastructure and Transport	Korea Customs Service, Public Procurement Service, Statistics Korea, National Police Agency, Korea Forest Service, Korean Intellectual Property Office
<b>Average</b>	Ministry of Education, Ministry of Foreign Affairs, Ministry of Justice, Ministry of National Defense, Ministry of the Interior and Safety, Ministry of Culture, Sports and Tourism, Ministry of Agriculture, Food and Rural Affairs, Ministry of Environment, Ministry of Oceans and Fisheries, Ministry of Patriots and Veterans Affairs, Korea Communications Commission, Korea Fair Trade Commission, Financial Services Commission	Ministry of Personnel Management, Ministry of Government Legislation, Korea Food & Drug Administration, National Tax Service, Military Manpower Administration, Cultural Heritage Administration, Rural Development Administration, Korea Meteorological Administration, Saemangeum Development and Investment Agency, Nuclear Safety and Security Commission
<b>Poor</b>	Ministry of Unification, Ministry of Gender Equality and Family, Ministry of SMEs and Startups, Anti-Corruption & Civil Rights Commission	Defense Acquisition Program Administration, National Fire Agency, National Agency for Administrative City Construction, Korea Coast Guard



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## **IV. Next Steps**

## IV. Next Steps

### 1 Evaluation feedback and improvements

- Notify ministries of needed improvements in the categories of policy tasks, job creation, regulatory reform, and policy communication in order for them to **formulate improvement plans**.
- An agency supervising evaluation **reviews the progress of implementation**.
- Incorporate implementation review results into the evaluation for 2018.

### 2 Rewards for entities and persons for outstanding evaluation results

- Render rewards to outstanding entities in accordance with the Framework Act on Government Performance Evaluation.
- Present citations and/or awards to public officials, etc. who have materially contributed to outstanding outcomes.